Daily Report

East Europe

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NATO Denies Bosnian Serbs Fired on Planes

LD2106194993 Belgrade TANJUG in English 1928 GMT 21 Jun 93

[Text] Belgrade, June 21 (TANJUG)—NATO command in Vicenza on Monday denied that Bosnian Serbs opened fire at low-flying jets which broke the sound barrier over the Serb town of Banja Luka in western Bosnia-Herzegovina.

As reported by the AGENCE FRANCE PRESSE, the spokesman of the U.S. Air Force, which have been enforcing the U.N.-imposed no-fly zone over Bosnia-Herzegovina since last April, said that there are no indications that the jets were shot at from the ground and that none of the pilots had reported coming under fire from the ground.

In a statement released on Monday, the Bosnian Serb army command said that irate citizens fired off bursts of automatic fire at a flight of NATO jets which broke the sound barrier flying low over Banja Luka.

In October last year the U.N. Security Council adopted Resolution 781 on no-fly zone over Bosnia-Herzegovina.

In March this year, the Security Council adopted a resolution [words indistinct] including NATO forces in the enforcement of the no-fly zone and permiting them to use force against those who violate the no-fly zone.

The Bosnian Serb army command has so far informed the U.N. authorities and the U.N. Protection Force in former Yugoslavia (UNPROFOR) command for Bosnia-Herzegovina several times that NATO airplanes are, instead of fulfilling their task, leading a "psychological war" against Serb civilians in Bosnia-Herzegovina by breaking the sound barrier over their towns and villages.

Apart from causing damage to different facilities, these aircraft cause panic and fear among the population and impair their hearing.

Lord Owen Interviewed on Bosnian Situation

LD2106140893 London BBC Television Network in English 1200 GMT 20 Jun 93

[Interview with Lord David Owen, cochairman on the Conference on the Former Yugoslavia, by correspondent Jonathan Dimbleby in London; from the "On the Record" program—live]

[Text] [Dimbleby] Lord Owen, it is reported that the EC foreign ministers meeting this afternoon could be about to say diplomatically well, we will wash our hands of Bosnia; is that likely, would it be wise?

[Owen] I don't think they will do that. They have stuck with it through very difficult times and I think they will stay with it, because I think there is still quite a lot to shape and to mold of this agreement, and I think we may even be surprised by how much of the Vance-Owen plan comes up in it. But a lot depends really on how badly they want to have sanctions lifted.

I think that President Milosevic wants sanctions lifted very badly and therefore I think he will listen to people like myself and Mr. Stoltenberg the UN envoy—when we explain that if they don't do certain things then the world community will not accept it, and above all they have got to satisfy the Muslims, they have got be generous to the Muslims—that's the essential really, I think.

[Dimbleby] Let me then explore a bit of that with you. They will in effect, even if part of Vance-Owen may be in the new settlement, they will in effect—as you have already almost acknowledged—they will be saying Vance-Owen as it stood is no longer a runner?

[Owen] No, what they will be aiming for is to keep Bosnia-Herzegovina, but to call it a federal republic, hopefully a federal republic, and there will be three republics: an essentially Serbian republic, Republike Srpske; a Croatian republic, Republic Herzog Bosnia; and a Muslim republic, Herzog Bosna; so that republic, Bosnia, which would be Muslim. [as heard]

There would be five parts because you can't split it just into three. There is a Bihac Province, which would be linked across Serbian territory with central Bosnia, which would be the Muslim one, and the Croatians upon the Sava in the north and down on the Dalmatian coast in the south.

[Dimbleby] That obviously is very different from 10 multi-ethnic groupings. Can I suggest to you that what this does say—because this is what is proposed effectively by the Serbs and the Croats in Geneva, that what this says is: Might is right.

[Owen] Well, there is too much of that about for my liking and I don't like it, but then I have to live in the world as it is. There will be more territory taken by force than in the roll-back envisaged in the Vance-Owen plan, but there will still be a fairly significant roll-back. I am not absolutely certain: The maps have not yet been produced; they have discussed this in general terms. The detail was asked for by President Izetbegovic, which I think he had every right to do, and that won't be available until Wednesday, when we meet in Geneva.

[Dimbleby] If the Muslims continue to fight, for instance around Mostar, it will be inevitable that the Croats and maybe the Serbs as well will move on. We can't presume that the borders that they have proposed or the five bits of territory that you have spoken of will remain intact unless the fighting stops now?

[Owen] No, I mean this is the trouble. They have torn up the map of the pretend province map that we produced over the last five to six weeks in particular, because of the fighting between the Muslims and the Croats, and the nature of the civil war has become very much more apparent.

You are right—they are now fighting, for instance, over Mostar, there is a very strong case for any Muslim republic going down to Mostar, it takes them closer to the sea, and there would then have to be some international guaranteed access to the port of Ploce, which is on the Dalmatian coast, but is actually in Croatia; and similarly, I think it is very important they get access up in the north onto the Sava River, which links up to the Danube and is navigable, and the barge traffic is a very important part of the Tuzla economy.

[Dimbleby] Does that mean that you hope that the European Ministers will be—as it were, encouraging the Muslims in that respect, not urging them to fight, but saying look we are with you in giving you these two key outlets?

[Owen] Yes, I don't know how much will be dealt with publicly or how much will be dealt with privately. But it would certainly help as a negotiator if I know what are the sort of bottom line of the European Community, and can say with authority to the Serbs and Croats if you don't do this then sanctions will not be lifted, and indeed as far as Croatia is concerned where there are no sanctions— if they ignore the views of the European Community with whom they are trying to have ever increasing economic links, then the European Community will take a pretty dim view of it, even to the extent maybe of going as far as depriving Croatia of some of those economic links, so we are not totally without power and we ought not to think so.

What we are seeing is much more of an ethnic map than many of us would ever have liked to have seen, and more territory taken as a result of the fighting than we would have liked to have seen. But then the situation on the ground is deteriorating hour by hour, day by day, and that's what makes me feel that we have go to hand in there and get a settlement as quickly as we can.

[Dimbleby] Just to summarize briefly that last very important set of points you were making: You want from the Europeans a committment to a five-part ethnic state, but yes, guaranteeing Muslim rights of access, and saying to you unequivocally that's what we want go out there and fight for it, and if they continue to resist that we will put every single ounce of economic muscle into depriving them of the means of warfare?

[Owen] Yes, I think we have got to stand by the Muslims to give their republic...[pauses] Of the three republics their republic must be viable, it must not be one that can be just squeezed out of existence. It is inevitably going to be surrounded by Croatia and Serbia and Croats and Serbs, but it has got to have, if you like, an independent viability even though it is part of Bosnia-Herzegovina.

[Dimbleby] But, Lord Owen, the problem—the reason why I put that point to you is that hitherto the economic pressures have had no impact on the readiness of the Serbs and Croats to fight it to what they want.

[Owen] Well, I don't totally agree. I think that, after all, we got an agreement in Athens, and I was on this program, and one of the reasons we got that agreement was President Milosevic wanted sanctions lifted and leant very heavily on Dr. Karadzic.

[Dimbleby] But, look what happened to the agreement.

[Owen] Yes, well they turned it down, and the main reason they turned it down was that there was no contiguous link between the three Serbian provinces. Now, we deliberately deprived them of that and they wanted a territorial corridor, we were offering them a UN guaranteed throughway, that was not sufficient to swing the Bosnian Serbs, and they have always wanted much more authority, much more autonomy and so have the Croats.

I think the problem is at the moment that the Muslims are very reluctant to negotiate, and I mean this is a proposal that has come up from the Croats and the Serbs, it is not a proposal which I or Mr. Stoltenberg have put before them, but it is one which they are listening and we are beginning to help shape. But in the ultimate analysis it is going to be up to the nine-member Presidency of Bosnia-Herzegovian government to determine whether or not they will accept it. So it is not just up to any one or two individuals, they are a collective Presidency, they have abandoned during the war their parliament; so it is that Presidency that will have to really decide whether or not to go with this or at least to open negotiations on it.

[Dimbleby] Notwithstanding your own hopes about the efficacy of economic sanctions, notwithstanding your feeling that they might wish to settle, a great many people will have the feeling that what has happened here is in effect a declaration to warlords everywhere, if you want to go and ethnically cleanse by all means try it, do you have some sympathy with that horror that people feel?

[Owen] Well, I think it's too close for comfort, I think bad, evil things have been done. There is, of course, a war-crimes tribunal that has been established by the UN, and I hope some people are brought for trial. I think that we must not forget the horrors that have happened in the former Yugoslavia, on the other hand you can't hold out for the ideal when you're not going to get it when there is a continued war and the situation on the ground is deteriorating.

So, I mean nobody is more committed to the Vance-Owen plan than I was, but I have to be realistic and I have to live with the situation as it is. Day by day people's houses are being burnt, destroyed and shelled, people are losing their lives; we are also seeing a very serious situation as far as the UN forces are concerned. We have just had a person very seriously injured who was sent into Goradze—one of the UN monitors, we have also had not only loss of life amongst the UNPROFROR [UN Protection Force], but amongst the humanitarian workers and the drivers of the lorries.

the convoys are not getting through; they are being stopped all the time, there is a deterioration in electricity supply, in water supply, and the health problems are going to be by the winter very severe indeed. So I feel a sense of urgency. This thing has got to be settled and the war has got to be brought to an end before the winter comes. We got away last year with a tremendous humanitarian effort, saving many people—I think, 400,000 people's lives—it will be much harder next winter.

[Dimbleby] And to the thought Lord Owen that by happenstance and despite your efforts you have effectively having hoped to achieve down the line from the increasing wreckage in Bosnia, that you have effectively become the fall guy for a failure of diplomatic and military will in Europe and the United States; what do you think of that?

[Owen] I took the job on when the war was already six months in, and in fact most of the territorial gains and land had been grabbed, and I always knew it was a difficult task. I don't regret taking it on and I don't regret fighting through. I suppose I could have walked out a few months back and stuck to the Vance-Owen plan and said, you know, on this I take my stand, certainly it would have been morally purer but I think I just have to put...[pauses] Like the forces on the ground at the moment, the UN soldiers, the UNHCR [UN High Commissioner for Refugees] workers who are working on in frustrating difficult circumstances, as the peace negotiator I think I have to, and that is Mr. Stoltenberg's view as well.

[Dimbleby] Lord Owen, just in a word, would it have been easier if you had been able to speak softly and carry a big stick rather than have to speak loudly and carry a little one?

[Owen] It would have been much easier to have had a big stick on many, many occasions in these negotiations, and particularly right at the start before the real horror fighting took place, the shelling of Dubrovnik, the shelling and destruction of Vukovar, these are terrible things. We must remember there is still the possibility of a war between the Croats and the Serbs in Croatia.

Slovenia's Peterle Calls For Pressure on Serbia

LD2006132993 Hamburg DPA in German 1041 GMT 20 Jun 93

[Text] Ljubljana (DPA)—In the view of the Slovenian Government, long-term peace in the Balkans is not possible without decisive pressure being put on Serbia. Foreign Minister Lojze Peterle said this over the weekend in a DPA interview in Ljubljana (Laibach). In Bosnia-Herzegovina the precedent was gradually emerging that aggression was being "rewarded" by the international community. "If things continue to develop in this way, new conflicts in the Balkans are inevitable," Peterle said.

There are already signs of other conflict situations. "How does the international community think it can act effectively in Kosovo if it is having no success in Bosnia," Peterle asked. The situation is bad in Kosovo—the province with an Albanian majority which is ruled by Serbs with a strong police and military presence. A tiny spark could set off the powder keg, he said. "We can only hope that the West's warnings to Belgrade in the case of Kosovo have more effect than in Bosnia, for instance."

In view of the second anniversary of Slovenia's independence on 25 June and its secession from the now collapsed multinational state of Yugoslavia, Peterle also spoke about the period "following the solution to the Yugoslav crisis." Slovenia is indeed interested in relations with rump Yugoslavia, "however, only on an economic basis."

"I am certain that future relations will be better than the old ones, especially since from the Slovenian viewpoint they are voluntary." Peterle firmly rejected speculations on the creation of a "Yugoslav commonwealth." "Although we need cooperation, we do not need it in the sense of a new political or economic structure."

Peterle expressed his satisfaction over Slovenia's relations with its neighboring states. The question of the Slovenian minority in Italy is still unresolved and "a number of issues" still have to be "clarified" with its southern neighbor, Croatia. Peterle specifically referred to the drawing up of the border, which in the past few months has repeatedly led to serious disagreement between Ljubljana and Zagreb. "However, we are seriously working at it," he concluded.

SDS Briefs Media on Sugarev Situation

AU2006191493 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 20 Jun 93

[Text] [Announcer] The Union of Democratic Forces [SDS] held a briefing today at the union's headquarters in Sofia.

Our correspondent Antoaneta Puncheva reports:

[Puncheva] A motorcade of SDS supporters was organized today. They are driving from the "town of protest" [camp of tents set up in the Sofia center] to the home of parliament member Edvin Sugarev who is on hunger strike. As many as 132 automobiles joined in, while 127 participated in yesterday's motorcade for the same purpose.

The collection of signatures in support of Sugarev's demands is also still under way, but the number of collected signatures has not yet been specified.

At today's briefing in the SDS headquarters on 134 Rakovski Street, spokesman Nadezhda Mikhaylova announced that a total of 1,270,000 citizens have participated in the protest actions.

The coalition assessed its activities over the weekend.

The political programs of the mass media, such as Sunday 150 of the National Radio and the Panorama program of Bulgarian Television, in which SDS leaders were interviewed and made statements, produced the following results, according to Mrs. Mikhaylova:

[Begin Mikhaylova recording] Three important victories of the SDS supporters can be pointed out. In the first place, judging from the radio and television programs in question, it appeared that all political forces are in favor of early parliamentary elections. [end recording].

[Puncheva] The second victory, according to Mrs. Mikhaylova, is that in the future all politicians who are trying to cheat on the vote of their electors will have to remember the lesson of this troubled 1993 summer. The third victory, according to the SDS, is the fact that the protest wave has allegedly prevented the dangerous trends of restoring a dictatorial regime.

According to this analysis, Professor Berov's cabinet has no political future, despite the planned personnel reshuffle.

The conclusion is to promptly start a procedure for early parliamentary elections in accordance with legislation and on the basis of the Constitution.

Today, Edvin Sugarev sent a message to his supporters, which reads as follows:

I would like to address all those who joined me in the hunger strike to express their protest against lies, hypocrisy, and treason in today's political life. I would like to tell them: Thank you, friends.

This is the beginning of the letter. Sugarev continues:

Along with this, I beseech you for purely humanitarian reasons: Please, select another form of protest. Your place is on the squares, at the demonstrations, and in the towns of protest. Your strength of character is required for decisive actions today.

This is Edvin Sugarev's message.

SDS Rally Demands Government's Resignation

AU2106174193 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 21 Jun 93

[Antoaneta Puncheva report on rally of the Union of Democratic Forces on Aleksandur Battenberg Square in Sofia—live]

[Text] The National Coordinating Council of the Union of Democratic Forces [SDS] and the SDS Parliamentary Group held a rally of their supporters at the Aleksandur Battenberg Square in Sofia today. As usual the slogans were directed against the president and the government, urging their resignation, followed by appeals for early elections, and cries in support of Edvin Sugarev who is on hunger strike.

A people against lies and hypocrisy, this was one the slogans that rallied the people in their protest in support of M.P. Sugarev and of his demands. A new slogan was added to the traditional ones: We do not want the cabinet to be reformed; we want its resignation.

Filip Dimitrov, Yordan Sokolov, Khristofor Subev, Asen Agov, Ilko Eskenazi, Stefan Sofiyanski, Asparukh Panov, Zlatka Ruseva, and others are at the rostrum.

Dr. Georgi Karev opened the rally with the following appeal: No to the president, no to the Fatherland Front government, yes to early elections.

Some of the most excited SDS supporters standing in the front rows of the rally tried to burn a portrait of President Zhelev, but Filip Dimitrov stopped them.

Zlatka Ruseva's address has just ended. She spoke on behalf of the Parliamentary Group and promised the SDS supporters that this week's actions will bring them closer to victory.

This is all for the time being. Before ending my report I would like to add the facts provided at today's briefing in the SDS Sofia headquarters, according to which 1,114,000 signatures were already collected in support of Edvin Sugarev.

Zhelev on Conflict in Former Yugoslavia

PM2106165093 Stockholm SVENSKA DAGBLADET in Swedish 20 Jun 93 p 4

[Interview with President Zhelyu Zhelev by Richard Swartz in Sofia; no date given]

[Text] Sofia—[Swartz] Mr. Zhelev, have you any proposal for ending the war in the former Yugoslavia?

[Zhelev] It is difficult for a neighbor like Bulgaria to take sides. We are making every effort to be actively neutral, but we do not want to become involved. Not at any price! Even the most well-meaning intervention could lead to a major Balkan war. Here in the Balkans we all carry the burden of the past. In this century alone we have waged a whole series of wars against each other—wars which have given rise to very bitter feelings. These live on. And if they were to be unleashed a new Balkan war would be unavoidable.

[Swartz] Who do you think carries the responsibility for the war in Bosnia?

[Zhelev] Everyone knows where the guilty parties are to be found. They are to be found in Serbia/Montenegro.

[Swartz] Many observers fear that Belgrade will also open a front in the south, that Macedonia is next in line. Unlike Serbia, your country has given diplomatic recognition to Macedonia, but you refuse to recognize the existence of a Macedonian nation. From your point of view the Macedonians are Bulgarians. Does such an approach not make your diplomatic recognition of Macedonia rather an empty gesture?

[Zhelev] Bulgaria was the first country to recognize all the four new states which arose out of the former Yugoslavia. We did so because they asked us to. And all at one and the same time; we have not given Macedonia special treatment. We took the view that this was a contribution to the stabilization of the new states, and at the same time of the whole of the Balkans. If Belgrade asks us, we will also recognize Serbia.

[Swartz] But clearly not the existence of a Macedonian nation?

[Zhelev] The Macedonian question has both its political and historical side. We began with the political; we thought the most important thing was that the state should be recognized. A state must be recognized in order to become a political reality. But a nation? In a way the whole thing is a nonsense; a nation does not need to be recognized, it either exists or its does not exist....

[Swartz] If you ask the inhabitants of Macedonia, it does exist.

[Zhelev] That is their business. As far as I am concerned they can call themselves Chinese if they want to. We do not question their identity. Certainly, we have the same historic roots, we have language, religion, and culture more or less in common, but this does not give us the right to say that precisely because of this fact they cannot be anything other than Bulgarians. Just as little as they have the right to tell us who we are.

Nevertheless, we should not forget that in historical terms the Macedonian nation was created by Comintern after the war. Bulgarians were forced to register as Macedonians. Those who refused ended up in concentration camps. Serbians were then used to pad out the new Macedonian nation. The whole thing was a crime for which Titoism and Stalinism together are responsible.

[Swartz] Slovenian President Milan Kucan takes the view that if the war spreads to the southern Balkans it will affect Macedonia more than Kosovo.

[Zhelev] I do not think so. Kosovo is more exposed, especially if there is also social unrest in Serbia itself. The economic sanctions are biting hard. With every day that passes the economic and political crisis in Serbia is growing ever deeper.

[Swartz] But Slobodan Milosevic's position seems stronger than perhaps ever before. He has no visible rivals. He has toppled a moderate critic like Dobrica Cosic, without any difficulties.

[Zhelev] The fact that the stage around Milosevic has become so empty only shows that his own position is becoming increasingly exposed, increasingly dangerous for Milosevic himself. In Serbia I see three different potential scenarios: Milosevic, together with the generals and the former communists whom he really represents, introduces a military dictatorship; or popular discontent becomes so widespread that different groups begin to fight each other and plunge Serbia into a civil war. This risk must not be underestimated; the country is packed with arms.

The third possibility is that Milosevic succeeds in channeling popular discontent against Kosovo. Kosovo is, as it were, the last good card he has in his hand. Perhaps he will be able to turn it into a trump card, direct anger toward the Albanians, and accuse all those who dare to take a different view of treason.

[Swartz] It almost sounds as if your regret that the rest of the world did not make up its mind to intervene militarily against Milosevic a long time ago.

[Zhelev] That should have been done at the very beginning of the war, 18 months ago. Then all the sides should have been forced to the negotiating table. Things should have been done in that order. But the Western world is divided internally. That was why it allowed the fire to spread instead of putting it out. That is why we now have a new Lebanon in the former Yugoslavia.

[Swartz] You think that the rest of the world has failed, that its only contribution to a solution has been words which have not been accompanied by action?

[Zhelev] The West has made use of the tools and instruments which have suited it best. Which have cost

least. We Bulgarians, however, are being hit very hard for showing solidarity with economic sanctions which are not directed against us, but against Serbia.

[Swartz] Do you think that the arms embargo against the former Yugoslavia is a wise policy? Should the Muslims not have the right to arm themselves on equal terms, particularly now that a partition of Bosnia seems inevitable?

[Zhelev] I think that lifting the arms embargo would lead to the war spreading. No, the Western world must shoulder its responsibility and intervene militarily. In the longer term this is the only solution, the only way of stopping Milosevic and his cronies. But the price would then be a lot higher than it would have needed to be if action had been taken in time. And the price will also be much higher for all of us here—all these crimes, all these destroyed towns and villages represent a new sewing of dragon's teeth in the Balkans. Hate has been allowed to grow again and it will take at least two generations to overcome it.

[Swartz] You make it sound like the rest of the world and not those actually fighting with guns in hand is chiefly responsible for what is happening in Bosnia.

[Zhelev] Let me put it like this: Europe and the United States have shown themselves to be completely unprepared for tackling the problems which have arisen in the postcommunist phase in the East. The Western world was prepared for a nuclear war against all the states of the Warsaw pact, but when the Soviet empire collapsed without a single bomb needing to be dropped, the West proved to be incapable of taking care of the fragments of the empire remaining. A failure, quite simply.

Sometimes I wonder whether the Western world will not begin to miss communism quite soon; everything was so much simpler in the past. The problems were more serious perhaps, but at least they were fewer.

Aleksandrov Returns From Athens, Assesses Visit

AU2006203493 Sofia Khorizont Radio Network in Bulgarian 1900 GMT 20 Jun 93

[Interview with Defense Minister Valentin Aleksandrov by Khristo Khristov aboard an airplane returning from an official visit to Athens; date not given—recorded]

[Text] [Announcer] Defense Minister Valentin Aleksandrov, who paid an official visit to Athens as the head of a military delegation, returned tonight.

He was accompanied by our special correspondent, Khristo Khristov, who briefly interviewed Minister Aleksandrov aboard his aircraft.

[Khristov] Dear listeners, the noise you are hearing comes from the TU-134 airplane, on which Defense Minister Valentin Aleksandrov is returning from his three-day official visit to Greece.

Was your meeting with Mr. Mitsotakis a formal one, and how would you describe it from your particular point of view as a political scientist?

[Aleksandrov] My view on the visit is quite clear, and there is no doubt that I am satisfied with such a high-level meeting. However, the main talks were conducted with my colleague, Defense Minister Varvitsiotis. In this respect, I would like to stress that the readiness of the Greek side to assist us in building up the new National Security Center and our talks concerning the balance of forces in the Balkans are showing that common views are by far prevailing over the controversial points in our mutual relations.

[Khristov] How would you comment on the issue of a communique about the agreement? Is this not a way of postponing the actual signing of the protocol?

[Aleksandrov] No, there is no question about a postponement. Naturally, the communique expressed our common interests and our joint resolve to reach an agreement on military-technical cooperation. The delay of signing the document should be attributed to bureaucratic formalities.

[Khristov] Did you and Mr. Varvitsiotis discuss the war in Bosnia-Herezegovina, and do you have any disagreements on some issues related to the war?

[Aleksandrov] The question was discussed in detail. There are some disagreements, but they are hardly of any public interest.

SDS Anti-Zhelev Campaign Attacked

AU2006151093 Sofia Khorizont Radio Network in Bulgarian 1900 GMT 19 Jun 93

[Text] At a meeting today, the National Council of the Constitutional Forum adopted a resolution against the campaign being conducted against President Zhelev. Its conviction of the need for stability of the lawfully elected state institutions determines the Constitutional Forum's attitude to the persons in these institutions, depending on their specific actions, the resolution states.

The resolution points out that the accusations made by the National Coordinating Council of the SDS [Union of Democratic Forces] have the nature of insinuations, with selfish private motives and lacking any constitutional arguments, and are leading to the country's destabilization.

Klaus on EC Summit on East European Countries

LD2006211793 Prague CTK in English 2002 GMT 20 Jun 93

[Text] Prague June 20 (CTK)—Czech Premier Vaclav Klaus today said he believed the forthcoming European Community (EC) summit in Copenhagen would clearly specify a timetable of admitting countries, such as the Czech Republic, into the EC.

Upon his return from an international forum of economists and politicians in Crans, Switzerland, Klaus told CTK he also believed the summit would set concrete steps which would be a signal that the West is really considering integration of Central and East European countries into its structures.

I suppose that (the EC countries could agree) on a partial decline in tariffs, increase in export quotas to the West, there might be a promise that restrictions on steel or textile exports would diminish, but I do not think these will be changes of greater importance, said Klaus.

Evaluating the economic forum in Switzerland, which he addressed on Friday, Klaus said it was significant and very useful. He said that Eastern European countries' premiers and ministers, who attended the conference, thanked him for his criticism of the West. Klaus accused the West of protectionism and slamming its doors on Eastern Europe. The politicians thanked him, Klaus said, because I spoke up for all of us and because it was necessary to say.

On his debate with EC Commissioner for Taxation and Consumer Affairs Christiane Scrivener, who spoke in favour of protection of certain sensitive commodities on the part of the West, Klaus said it was not so sharp as it may have seemed. It was a general discussion which in some moments lacked enough sensitivity for the post-communist countries on the part of the West, said Klaus.

He also mentioned his meetings with presidents and premiers of East European countries, including that with former Soviet President Mikhail Gorbachev.

* * *

The premier confirmed to CTK tonight he would submit to Czech President Vaclav Havel tomorrow a proposal to recall Petr Lom from the post of health minister.

On July 17, Klaus, who is also chairman of the ruling Civic Democratic Party (ODS), announced the name of a hot candidate for the post. He is ODS deputy in the Czech Parliament and director of the Kolin, Central Bohemia, hospital Ludek Rubas who had criticised Lom's work.

Outlines Copenhagen Summit Expectations

AU2106202793 Prague CESKY DENIK in Czech 18 Jun 93 pp 1, 12

[Article by Prime Minister Vaclav Klaus: "On the Eve of the Copenhagen Summit"]

[Text] During the second half of 1989, the Iron Curtain, the Berlin Wall, and communism collapsed like a house of cards. East Europe awoke to a new life, resolved to once again become part of Europe (where, incidentally, it had always belonged), and united all its dreams and aspirations about its return to normality under the slogan "Back to Europe."

This is June 1993 and 43 months have passed since the Velvet Revolution and our return to Europe—via the rebirth of democracy in the East and the colossal effort by all of us to implement and fulfill it—is beginning to be realized. The majority of Central and East Europeans understood that the Velvet Revolution and the collapse of communism were not a boon or a heaven-sent ticket for prosperity, but were a great opportunity that we could either seize or let go. This is a unique historical challenge for us to come to terms with the decades of communism, and how we cope with this "task of our time" is entirely up to us. We are learning, "we are tightening our belts," we are trying to adapt to the world around us, and I am bold enough to say that we—at least, in the Czech Republic—are doing so relatively successfully. We do not expect favors, altruism, or generous assistance; we expect understanding and a game played with one's visor lifted and by fair rules.

West Europe (which likes to call itself Europe) greeted the fall of communism with elation and it breathed a sigh of relief due to the removal of the Soviet nuclear threat. I believe it sincerely wanted the former communist countries to function as successfully as possible and to overcome their decades of communist heritage as easily and as fast as possible. At the same time, however, it was afraid that the collapse of communism would cause problems for West Europe, that Europe would—in the end—have to start paying for something so positive, that the straightforward, unifying, Maastricht-confirmed process of internal bonding involved in West Europe's integration would be interrupted, and that the modern process of European centralization and unification—which had become Europe's vision of the future—would be slowed down. The citizens of the individual European countries are a little more restrained about this, while the driving force behind it is the endeavor by two prominent and influential public groups—the constructivist (and, therefore, rather centralist and interventionist) intellectuals and the state officials at a national and supranational level striving to expand their authority.

The signing of the Maastricht Treaty was an impressive attempt to concentrate all the European Community's energy in "intensifying" the community in accordance with its original plans and intentions (from the cold-war era) regardless of the fact that one era—that has lasted

for half a century—had just come to an end and that it was necessary to decide how to deal with Central and East Europe from the point of view of the European integration processes. The collapse of communism thus represented a challenge not only to the post-communist countries, but also to the countries of West Europe, and we are afraid that this was not—and has not yet been—understood. One recent Western study likened Brussels' attitude to the well known "Do Not Disturb" hotel door-sign expanded by a request for the former communist countries' mandatory internal consolidation and for their eventual entry into Europe (into the European Community) during the next century.

At first, the post-communist countries—aware of their shortcomings and bad consciences—did not dare to criticize the West's stance and adopted the more or less passive role of someone waiting for an accommodating gesture. With the course of time, however, they became bolder and began to refer to the West's lack of openness, to its growing protectionist tendencies, and to its insufficiently unambiguous promises regarding their entry into the European Community. Faced with their own considerable problems, the insufficient appeal of the Maastricht program to the ordinary European (if there is such a thing as the "ordinary" European), the failings of the European Monetary System, and—last, but not least—their current economic feebleness, if not recession, the Western countries reacted quite negatively at first and some of them (or some politicians in them) directed the East back to where it belongs.

As far as I am concerned, none of this is a surprise, since what we are talking about are the various metamorphoses and guises of the problem of twentieth century Europe and about the never ending struggle for the triumph of freedom, democracy, and the free market over irresponsible, uncaring, unpunishable unrestraint, over the power of bureaucracy and vociferous pressure- and lobby-groups, and over interventionism and the regimentation of individuals and the whole of society—this is a problem that cannot be overcome once and for all (but, I also believe that we cannot surrender to it). This fateful European problem cannot simply be interpreted as the problem of the East, and not of the West; it is not merely the problem of explicit communism, it also involves flirting with Western-type socialism and social democracy and, therefore, what we are talking about is the very essence of the philosophy of all of us.

Despite this, we can expect the Copenhagen summit to herald the following specific moves:
—a promise to speed up the integration processes;
—the introduction of certain short-term palpable steps toward opening up the European Community to Eastern countries in the economic and political spheres.

These will be very important signals—and extremely necessary for us—and will mean a partial contribution toward overcoming 50 years of European polarization and a mutual understanding of the fact that maintaining this situation cannot be in anyone's interest. Primarily, it cannot be in the interest of a country that—by coincidence—finds itself exactly half way between Maastricht and Sarajevo and that wants to become actively involved in European affairs, because it feels it has something to say about them.

NATO Chief Discusses Cooperation With Zieleniec

LD2006194893 Prague CTK in English 1732 GMT 20 Jun 93

[Text] Prague June 20 (CTK) - NATO Supreme Allied Commander Europe American General John M. Shalikashvili promised in talks with Czech Foreign Minister Josef Zieleniec today his personal support for promotion of cooperation between NATO and the Czech Army.

Foreign Ministry spokeswoman Lucie Pilipova told CTK that Shalikashvili, who arrived in Prague for a three-day visit earlier today, asked Zieleniec about the public's opinion concerning the Czech Republic's orientation on NATO. Zieleniec said that based on the results of public opinion polls, more than 50 per cent of the republic's population (10.3 million) accept this orientation.

Shalikashvili and Zieleniec agreed that within four weeks a mission of four to five U.S. Army officers should come to the Czech Republic to coordinate cooperation between the Czech Defence Ministry and NATO, Pilipova said.

Zieleniec spoke in favour of keeping U.S. troops in Europe, saying that the Euro-American union is significant also for the Czech Republic's security. Shalikashvili replied that this union is a guarantee of security not only in Europe but also in America, said the spokeswoman.

On the situation in the former Yugoslavia, the general said that, in his opinion, the conflict in Bosnia is impossible to be settled in a military way, but that it must be solved politically. He expressed gratitude for the presence of Czech military units in the war-torn area within the U.N. peace-keeping forces.

Meets With Defense Minister Baudys

LD2106124493 Prague Radiozurnal Radio Network in Czech 1100 GMT 21 Jun 93

[Report by Daniel Takac]

[Text] [NATO Commander] General Shalikashvili's day began with his talks with Defense Minister Antonin Baudys. They discussed, above all, cooperation between armed forces and ministries, which is one of the basic prerequisites for establishing closer contacts. Concerning the wider European security context General John Shalikashvili expressed the view that the feeling of security of each individual state is fundamental. In Antonin Baudys' words, this is an absolutely different attitude to European security from that held in the Warsaw Treaty

era. Concerning cooperation between armed forces, both sides discussed the question of mutual exchange of officers, foreign education, and, above all, the use of the so-called Marshall Center in the Federal Republic of Germany. According to Minister Baudys this is chiefly a communication center between the post-communist countries, the United States, and the North Atlantic Alliance. The situation in former Yugoslavia was not discussed in greater detail.

Holds Meeting With Chief of Staff

LD2106153693 Prague Radiozurnal Radio Network in Czech 1400 GMT 21 Jun 93

[Text] John Shalikashvili, commander in chief of NATO in Europe, who is in his second day of the official visit to the Czech Republic, got acquainted today at the general staff with the prepared concept of the building of the Czech Army.

According to Karel Pezl, the chief of staff of the Czech Army, he highly praised the concept. General Pezl, together with Minister of Defense Antonin Baudys, interpreted to John Shalikashvili the view that the Czech Republic is not concerned about being a member or an associate member of NATO, but, above all, about pragmatic results that come from sharing identical values.

Karel Pezl also rejected the conjecture that General Shalikashvili had asked the Czech side for more active involvement in the peace operation in the former Yugoslavia.

Klaus on Talks With Shalikashvili

LD2106182593 Prague Stanice Praha Radio Network in Czech 1630 GMT 21 Jun 93

[Excerpts] The discussion with the prime minister was very interesting. Among other things, we talked about the form of cooperation in the future, said John Shalikashvili, commander in chief of NATO in Europe. His agenda today is commented on by Daniel Takac:

[Takac] Prime Minister Vaclav Klaus praised the military preparedness of the delegation for the talks with the Czech side and stated that General Shalikashvili had analyzed the situation in a way similiar to the way he did.

[Begin Klaus recording] I would not analyze it in calendar time, but I would analyze the qualitative matters that have to be done so that one can achieve something like this. [end recording]

[Takac] [passage omitted] According to Vaclav Klaus, General Shalikashvili named three important aspects:

[Begin Klaus recording] To what extent does NATO maintain its position, to what extent will Europe not remain closed and in what way—this is the first prerequisite; the second prerequisite, naturally, is our own internal development in the countries of Central and Eastern Europe, and the third prerequisite is the development inside the former Soviet Union and former Russia because it would probably not be in anybody's interest to form an alliance which would have a character aimed against today's Russia and the former Soviet Union. [end recording]

[Takac] Antonin Baudys also stressed the use of the so-called new Marshall center in Germany, that is, above all, a communication center between post-communist countries, the United States, and countries of the North Atlantic Alliance.

General John Shalikashvili also met today President Vaclav Havel and Milan Uhde, chairman of the Czech Deputy Chamber.

Foreign Minister Previews Visit to Far East

LD1806152893 Prague CTK in English 1338 GMT 18 Jun 93

[Text] Prague, June 18 (CTK)—Foreign Minister Josef Zieleniec aims to form new trading relationships and modernise existing ones during his trip to India, China, North Korea, Singapore and Hong Kong June 20 through 30, he said at a press conference here today.

The minister indicated that the official visit was both political and commercial in nature. His goals are to create new ties for the Czech Republic, as well as to reform those of the former Czechoslovakia, which were directed towards the government.

Czech firms are looking for sales orders and contacts in Southeast Asia, and his job is to convince the countries' business and political community that Czech firms are trustworthy, said Zieleniec.

With respect to the international campaign against human rights violations in China, the minister stated, they are things we won't keep quiet about even in China, but are closely connected with the whole spectrum of our foreign policy. He also spoke of the need to balance our interests against our possibilities.

Says Croatia Excluded From Visa List

LD1806190093 Prague CTK in English 1554 GMT 18 Jun 93

[Text] Prague, June 18 (CTK)—Croatia does not feature in the document envisaging the introduction of visa requirements for the countries of the former Yugoslavia, which will be discussed by the government, Czech Foreign Minister Josef Zieleniec told a press conference today. A definitive decision on the countries involved is yet to be made by the government, he added.

The governmental proposal to introduce visa requirements for all former Yugoslav countries except for Slovenia originally included Croatia as well. The introduction of visa, backed by the Czech cabinet, is conditional on the issue being discussed with the Slovak

Government, as it follows from the Czech-Slovak agreements linked to the Czechoslovak Federation's split.

However, Slovakia opposes Croatia's inclusion in the list, Zieleniec quoted Slovak diplomats as saying. The same view was also expressed by the Czech press and travel agencies, which feared possible retaliatory measures directed against Czech tourists.

German Pork From Swine-Fever Zones Banned

AU2106165293 Prague CTK in English 0714 GMT 17 Jun 93

[Text] Prague June 17 (CTK)—The Czech Veterinary Authority (SVS) fears the European pig fever, which has appeared in Germany, may spread to the Czech Republic, the left-orientated daily RUDE PRAVO writes today.

The paper quotes Dr. M. Dropka from the SVS as saying that the danger of spread is great because the Czech Republic has stopped inoculating livestock against the disease to cope with conditions set for exports by the European Community (EC).

The SVS has banned imports of pigs, pork meat and pork products which are not thermally processed from the German lands hit by the disease, the paper writes.

It says that the German Agriculture Ministry told it by phone on Wednesday [16 June] that the infection in Lower Saxony and Mecklenburg-Pomerania had been under control and there was no danger of its spread.

The ministry said that eleven hotbeds of the disease on a relatively small area had been registered in Lower Saxony. In Mecklenburg-Pomerania the districts of Gustrow and Stralsund are affected by it, the paper writes.

Report Details Law on Constitutional Court

AU2106190293 Prague RUDE PRAVO in Czech 17 Jun 93 pp 1, 2

[Nada Adamickova report: "Bill on Constitutional Court Passed"]

[Text] Prague—The Czech Republic is going to have its Constitutional Court. The bill on the Constitutional Court was passed by the Chamber of Deputies on Wednesday [16 June], with 161 deputies voting in its favor and only 8 deputies for the Association for the Republic-Republican Party of Czechoslovakia voting against. The law becomes effective on 1 July. The Constitutional Court will be based in Brno.

Now only the 15 judges of the Constitutional Court remain to be appointed by the president of the republic. Their term of office will be 10 years.

As Justice Minister Jiri Novak (Civic Democratic Party) told parliament, in drawing up the bill, the government proceeded from the experience of European constitutional courts as well as from experience from the operation of the former CSFR Constitutional Court. The parliamentary committees altered the government's draft, however. Although there was general agreement on the need to adopt the law, disagreements on its provisions became manifest not only between the coalition and the opposition, but also between the Chamber of Deputies, the government, and the president.

The hottest debates concerned the minimum number of deputies or senators who may propose to the Constitutional Court the abolition of a law or its individual provisions. Even though the government—this time with the full support of the opposition—originally proposed as a minimum 25 deputies and 10 senators, the number of 41 deputies and 17 senators was ultimately approved. A proposal [to abolish a law or its provisions] can be submitted, apart from a group of deputies or senators, also by the president of the republic and by the Constitutional Court's Tribunal of Judges. On the other hand, Minister Novak's entreaties notwithstanding, the approved law denies this right to the government.

A constitutional complaint can be addressed to the Constitutional Court by an individual or a legal entity in the event of a public authority violating, by its legally valid decision or action, constitutional rights and liberties that are guaranteed by constitutional laws and international treaties. Likewise, a constitutional complaint can also be lodged by the representative body of a community or a higher territorial self-administrative unit if its rights have been violated.

Another dispute concerned the bill's provision, under which the absence of the Senate's approval of the nominated judges signified the nominees' rejection. Ultimately, the viewpoints could be brought into harmony in the course of the debate so that, in the event of the Senate failing to vote on the nominees for the posts of Constitutional Court judges within 60 days after receiving the president's request, it will be assumed that the nominees were approved.

Even though Vaclav Havel originally objected to the inclusion of high treason by the president in the bill because the crime is defined in the Constitution, in the end he, too, endorsed the government's bill as submitted to the Chamber of Deputies. Under the approved law, high treason is defined as the president's action directed against the sovereignty and integrity of the republic as well as against its democratic order.

The deputies also fixed the salaries and lump-sum expense allowances of Constitutional Court judges. The basic salary of a Constitutional Court judge will be 25,000 korunas. The chairman and deputy chairman will receive a monthly supplementary payment of 6,000 and 4,000 korunas respectively. Apart from the salary, members of the Constitutional Court will receive a monthly lump-sum compensation for expenses associated with the execution of their duties. The chairman will receive

a compensation of 9,000 korunas, the deputy chairman 8,000 korunas, and judges 5,000 korunas.

Minister Novak warned that the salaries of all judges and office holders of supreme court institutions should be the same. The law, as approved by the Chamber of Deputies, upsets this balance in favor of Constitutional Court judges. The minister also said that it was problematic to explicitly lay down salaries and perquisites in the law, because any change in them would require the law's amendment.

Unions Warn of Unrest in Coal-Mining Region

LD1806210793 Prague Stanice Praha Radio Network in Czech 1630 GMT 18 Jun 93

[Text] The growth of social unrest in the Ostrava-Karvina basin was pointed to in a statement issued by the trade unions today. The main reason is the intention of the Ostrava-Karvina Mines [OKD] joint-stock company management to speed up the phasing-out of coal-mining at the Odra mine in Ostrava and to make a large cut in coal extraction from the Fucik mine in Precvald. The trade unionists state that the expected acceleration of the phasing-out of coal-mining at the Odra mine, covered without any financial participation of the state and exclusively from OKD funds, will cause the deterioration of the company's economic results as from the third quarter of the year by approximately 451 million Czech korunas.

The threat to the existence of about 2,000 employees will be pointed to by the trade unionists in connection with the limitation of mining at the Fucik mine. According to the trade unions, there is no adequate social program ready to help deal with the situation.

First Private TV Network Begins Broadcasts

AU2206071693 Prague CESKY DENIK in Czech 16 Jun 93 p 13

[CTK report: "PREMIERA TV Starts on Sunday; First Private Television Network in the Czech Republic"]

[Text] Prague—PREMIERA TV, the first private television network on the territory of the Czech Republic, will start its regular broadcasts on Sunday, 20 June, with a festive concert at noon (the same evening it will show the comedy "Alfredo, Alfredo," starring Dustin Hoffman).

The broadcasts are intended for viewers in Prague and Central Bohemia. According to Marie Polednakova, a representative of the company, PREMIERA TV will be "regional only in its perspective and angle of vision, it will not stoop to regional standards in quality."

The network, which has been test broadcasting on the 24th channel of the fourth television band (UHF or U) for about one month, will continue to partly take over the program of the British Sky Channel. Its own programs, which are to be marked by an "optimistic disposition," will include movies and soap operas, children's programs, as well as blocs of video clips. The claim made at PREMIERA TV's recent news conference that it would have "easy access to recordings from the Verona Opera" (thanks to the presence in the management of the Italian businessman and producer Mario Volani) is confirmed by the production of the ballet Greek Zorba, also announced for Sunday night.

PREMIERA TV's own programs should take up about one-quarter of the planned 16 hours of daily broadcasts. According to PREMIERA TV General Director Jiri Mejstrik, the focus of news programs will be on regional issues. "News from abroad and the Czech Republic will not be absent, however, even though PREMIERA TV cannot compete with Czech Television in this field." Initially, there will be two five-minute news programs a day. Their number will be extended to four as of September when they will also be reinforced by a 20-minute evening newscast.

Meciar on Border, Resignation of Ministers

LD1806224993 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 18 Jun 93

[Regular interview with Prime Minister Vladimir Meciar by correspondent Ludmila Bulakova; place and date not given—recorded]

[Excerpts] [Bulakova] Voices calling for the erection of a standard border as early as from 1 July have become louder on the Czech side. [passage omitted]

Czech public opinion sides with [Czech] Minister of the Interior Jan Ruml, as there is justified concern over the influx of illegal refugees. Should the Czech Republic, however, reinforce the border by taking a unilateral step, it will mean that the refugees will stay in Slovakia.

[Meciar] As usual, the truth is elsewhere. The refugees who are crossing the border illegally are being intercepted by the units of our Slovak border control. They are being intercepted by the security bodies. The National Council is preparing a new amendment, according to which it will be possible to detain aliens for up to 30 days, place them in assembly camps, and then reach a decision about their deportation and return to the country from which they came. We are preparing readmission agreements. So the fears in the Czech Republic of illegal immigration are a false bogey. I repeat: a false, artificially created, and self-serving one.

I would just like to point out that Mr. Ruml submitted a proposal for the erection of a solid border at a time when the governments of the Czech Republic and Slovak Republic were still holding talks. At that time, I requested an explanation of the material concerned and wanted to know why it was on the agenda of the meeting if it had not been originally included, and the government of the Czech Republic dissociated itself from it. [passage omitted]

[Bulakova] CTK published the information yesterday that on Monday [21 June] there would be an extraordinary session of the customs union at Casta-Papiernicka, which is to discuss the statistical discrepancies in mutual trade. Both sides are claiming an active balance—both the Slovak and the Czech side. [passage omitted]

[Meciar] The matter at stake is not at all statistics. Payments must go on and in this sense Slovak assets are uncomparable and undeniable.

As far as the manner of the evaluation of statistics is concerned, then we can either apply the method used by the statistical offices, which does involve a certain amount of inaccuracy, or the method used by the customs, which have quite accurate documentation of border crossings and transfer of goods, or there is a third way of doing this and that is by a follow-up of gains and losses on the clearing account—which, too, is open to question, since we do not know who has how much money in the individual states and uses it to cover liabilities.

The core of the issue does not lie in statistics. It is in the decline of trade. In the decline of the ability of the companies in the Czech Republic to export to Slovakia. They have to find an answer to that problem in the Czech Republic. They must answer whether it was worth obstructing the border regime to save several hundred million [korunas] and lose trade worth several billion [korunas]. It is the government of the Czech Republic which is accountable for this, not the government of the Slovak Republic.

[Bulakova] Mr. Prime Minister, the atmosphere on the domestic political scene this week was very hot. In particular, in connection with the meeting of the HZDS [Movement for a Democratic Slovakia] leadership [last weekend] that passed a vote of no confidence in two members of the government and agreed to form a coalition with the Slovak National Party.

Although the two parties did not give much information about the coalition talks, much speculation has appeared in public. President Michal Kovac contributed a great deal to the speculation when he said in eastern Slovakia on Wednesday that most probably Economic Minister Jaroslav Kubecka would be appointed temporarily to the vacant post of privatization minister. He admitted that the Slovak National Party [SNS] would get three ministries—Ministry of Economy, Ministry of Education and Science, and Ministry of Health.

At the same time, he also talked about the creation of the new post of minister without portfolio, who could be responsible for trade and tourism. That same day, by coincidence also in eastern Slovakia, you, Mr. Prime Minister, confirmed that you had spoken to the president of the republic, but said that you had not reach any agreement on how to solve the situation. Can you tell us who was telling the truth?

[Meciar] It is true that a minister has the right to submit his resignation to the president, but it is the prime minister who submits proposals for appointing a new one. I have not yet submitted any such proposal.

The most important thing is that we have to reach an agreement among ourselves [u nas] on how we will overcome the period before a coalition agreement is concluded, on who will be charged to head this ministry and how the work in the ministries will be carried out.

Of course, political talks have not ended. [passage omitted] I do not know what the outcome will be. The Movement for a Democratic Slovakia is close to an agreement. It also depends on whether the other side will accept our views.

All I can say now is that about five percent of issues still remain to be resolved. Next Monday, the parties are to sit down at a table again and talk. I promised not to say anything about the content of the talks and so I will not say anything to you either.

[Bulakova] But while Privatization Minister Dolgos resigned, the second minister in whom the HZDS leadership expressed a vote of no confidence, Minister of Education and Science Matus Kucera, said he did not see any reason why he should resign. However, at meetings with citizens in Slovakia last week, you talked about some kind of deal with Minister Kucera.

[Meciar] I think that both Minister Dolgos and Minister Kucera are very nice persons. They found themselves in a situation in which they had to solve certain practical problems that caused them some difficulties. It is necessary now to somehow respond to these difficulties.

Minister Dolgos resolved the situation by handing in his resignation. Minister Kucera is still hesitating. It seems that he has to make the decision himself.

In connection with the coalition talks, I am now more restrained, since we have not yet resolved the whole complex issue of the government structure and the ensuing status of the individual posts. I know that Kucera is to meet the president and discuss this matter with him. But everyone must always draw conclusions from his actions himself.

[Bulakova] So what about the rumored deal between yourself and Kucera about resignation or something else?

[Meciar] The content of the deal was agreed in the presence of the president, the chairman of the National Council, myself, and Minister Kucera. We agreed on something and gave one another a word to behave accordingly.

[Bulakova] And did Minister Kucera behave accordingly?

[Meciar] I do not want to say anything before his talks with the president.

[Bulakova] You said a short while ago that your agreement with the SNS is 95 percent certain. But SNS Chairman Ludovit Cernak told journalists yesterday about two points of friction. He indicated that at issue could be agreements concluded by SNS previously with opposition parties. These agreements might not be, on the whole, to HZDS' liking. It is thought that the point at issue is filling some posts with specialists from other parties rather than only from HZDS and SNS. The deputy chairman of your movement, Roman Zelenay, admitted that experts from other political parties could also become government members. Is this not a shift from your recent statement that, from the long-term viewpoint, the government by specialists is not realistic?

[Meciar] [passage omitted] Slovakia needs stability. I cannot pretend that I cannot see what is going on. Talks between all parties on what to do with the government and what to do with Meciar have been under way for several months. This has been going on for more than six months. I cannot fail to see that on Tuesday [15 June], for example, one of the points on the agenda of the opposition coalition parties' meeting was that Knazko [former HZDS deputy chairman and foreign minister] should replace Gasparovic in his post [Slovak parliament speaker]. We favor coalition, we want good relations. But no one can enter a marriage and say straight away: OK, I will marry you, but you must agree with my being unfaithful to you with this or that person. That's not a union, and nothing can be built on its basis.

Opposition parties have one permanent endeavor—not to tackle the realistic problems of Slovakia. But as I have said in your bulletin on a number of occasions: some people will see themselves in a particular post, such as who will go for the heart of privatization and will have control over assets? Who will have the right to make decisions on these matters in the immediate future? I am a little concerned about this issue, because all these are funds. But once they have become end objectives, the policy is deformed. That's the situation in which a citizen loses his raison d'etre.

Well, you know, paradoxes arise. For example, when Mr. Knazko and seven people with him were leaving us, they shouted that we were not anti-communist enough. And now they claim that they would support a Party of the Democratic Left official for chairman of the highest control office. What can we do? This is the end of the game at principles, this is the beginning of an ego and profit game. This is not politics any more.

[Bulakova] You said, Mr. Prime Minister, that one has to distinguish the rule of officials from the rule of experts. Does that mean that HZDS admits that the "experts" could be also from other than the coalition parties?

[Meciar] First, we have two experts in the government who are not members of any party. They include the minister of the interior and minister of defense. Each member of the government is an expert in his field, you can put anybody into question, the two people who are of a peak standard of knowledge are good at different things. So they can put each other into question. But I cannot put into question the expert qualities of these people. I can only tell which one has held what level of political support. And that has not always depended on him. Minister Dolgos found the going very tough. I should like to thank him for the work performed in the government, because I have a lot to thank for. But, on the other hand, I must respect the reality of the fall of public opinion, pressures from the outside on the person concerned, on the department concerned, unwillingness to support him in parliament, pressures inside—so that all that is in this context must be taken into consideration—this creates the life and fate of a politician, it is a bit like a swing—sometimes you are up and then it is the other way round.

[Bulakova] Does this mean that we can expect that experts from other parties will join the cabinet, too. How will this be done?

[Meciar] The term expert gives an impression that there are no other people with professional qualifications. After all, there are various ways of judging the level of qualifications. Those who are politically unaffiliated can continue being in the government as long as they have a majority support in the parliament. This has always been the case. This is the case at present time—as far as the two ministers are concerned—and it can be the case in the future, too. As you may recall that Minister Kucera himself announced his nonpartisanship, and he remained in the cabinet.

So, let's not hold this as a reason for casting doubt on professional qualifications and political support, and let's not treat these two factors as it they were two diametrically opposite. These two phenomena are conditional upon each other. An expert without political support means nothing, and a politician who lacks professional qualifications is a toy in the hands of an apparatus, which molds him according to its own needs.

Toth, Kocarnik Comment on Import Surcharge

LD2106163693 Prague CTK in English 1511 GMT 21 Jun 93

[Text] Bratislava, June 21 (CTK)—The introduction of an import surcharge will not deaden further functioning of the Czech-Slovak Customs Union, Czech Finance Minister Ivan Kocarnik said today.

He was speaking at an extraordinary session of the Customs Union Council at Casta-Papiernicka near Bratislava.

The opening of the session was delayed as Slovak Finance Minsiter Julius Toth attended the inauguration of the international chemical trade fair Incheba in Bratislava.

Toth said the surcharge to be imposed on imports of consumer goods was likely to be introduced only in July because the range of goods to be affected must be approved by the General Agreement on Tarrifs and Trade (GATT).

He said that the International Monetary Fund (IMF) agreed with a comprehensive 20-per cent import surcharge to be in force until the end of the year. In january 1994 it should be lowered to 10 per cent, said Toth who attended the international forum of politicians and ecnomists in Crans-Montana in Switzerland at the weekend.

Parliament Rejects Bill for Security Council

LD1806213993 Prague CTK in English 2044 GMT 18 Jun 93

[Text] Bratislava, June 18 (CTK)—The Slovak parliament's committee for petitions, legal protection and security voted today not to recommend parliamentary passage of a government bill establishing a National Security Council.

The Slovak Government approved the bill May 25.

The bill's submitter, Secretary of the State Defence Council Bohumir Gerinec, told Slovak Radio today that the bill would be acceptable after further consultations.

The National Security Council is a specific state body intended to solve genuinely critical situations, Gerinec said. The power the premier now has will remain. Because we want this power to come from the law, we are reformulating several things, he said.

Opposition parties oppose the bill, alleging that it would take, for example, the right to declare a state of emergency away from the president and parliament and transfer it to the premier.

Cernak Views Possible Coalition With HZDS

AU2206065693 Bratislava PRAVDA in Slovak 18 Jun 93 pp 1, 2

[Interview with Slovak National Party Chairman Ludovit Cernak by Marian Lesko; place and date not given: "They Do Not Want To Enter the Same River Twice"]

[Text] Slovak National Party [SNS] Chairman Ludovit Cernak has been a very sought for person recently, particularly by journalists. At a happening called "13 Plus 1," organized by the weekly SLOBODNY PIATOK, he met with journalists to answer their numerous questions on the situation in, and prospects of, the coalition talks with the For a Democratic Slovakia Movement [HZDS]. Our reporter also asked him several questions.

[Lesko] Sir, you are discussing a coalition with the HZDS, and you are not hiding the fact that you would like a third partner to get involved in the game—either openly, or silently. Will the HZDS also adopt this idea?

[Cernak] This is our party's idea, approved by our Assembly. We want to let the HZDS know that we are interested in the support of another parliamentary partner. If I compare, calmly and reasonably, certain figures, then I anticipate the HZDS's consent, despite the fact that, during our first debate, they showed quite an emotional stance on this issue. On the other hand, two are needed for a wedding, so we are also talking to our possible partners. Preliminarily, three entities have not rejected the idea of their possible silent support for the coalition, but.... I, personally, am strongly against confusing politics with trade, but agreement is always a result of a certain balance between demand and supply. We believe that we will have—let us put it this way—the right of veto. We will be able to demand that this or that material should not be debated, and that it should become a subject of coalition talks.

[Lesko] This is an important change compared to your first activity in the government....

[Cernak] I have left the government once. One cannot enter the same river twice.... We must agree on such rules

of the game as to make it impossible to maneuver us into an unsolvable situation. This is why I mentioned the right to veto and the coalition talks. We must also take into account what would happen if we did not reach agreement during coalition talks and who would be the third partner, the decisive entity, who would draft an independent expert report, which would oblige both parties to respect it. We will have to consider how to establish the third organ, the arbitration body.

[Lesko] In which sphere do you want to implement these ideas of yours?

[Cernak] I am now talking about steps and measures regarding economic laws and economic matters. The same way Slovakia must go through the crossroads of decisions about a possible coalition government, the government must ensure the fulfillment of its economic concept and program goals.

[Lesko] Even today, they have asked you whether your reentry into the government and your personal and politically moderate speeches would not reduce public support for your party....

[Cernak] Politics should not serve political partners, but the people. This is why I believe that we have had enough confrontational tones and personal confrontations. It is quite an unhealthy phenomenon if neighbors in a village do not speak to one another, since one favors the Christian Democratic Movement, and the other Meciar. We cannot get too far like that. This is why I do not consider myself a moderate, but a pragmatist. I can see clearly that our social problems are accumulating and we are near an explosion. I assume that our overall attitude will cause light losses for the Slovak National Party—on the extremes—but it will bring massive gains in the very center.

[Lesko] On Monday [21 June], coalition talks will continue. I am asking you as one of the equal partners—should we prepare the public for the possibility that an agreement could be reached?

[Cernak] On Monday, we will present our specific proposals, which ensue from the implementation of previous agreements. If they are accepted, consensus, as well as an agreement, is possible. Since I know the opinion of the ruling movement and its chairman, I assume that there will be at least two critical points during the talks, and this is why we will need one or two more rounds of talks.

Opposition Party Head on Foreign Policy Tasks

AU2106190993 Budapest NEPSZAVA in Hungarian 19 Jun 93 p 5

[Interview with Ivan Peto, chairman of the Alliance of Free Democrats, by Katalin Decsi; place and date not given: "Independent Foreign Policy—From Opposition?"]

[Text] A delegation of the Alliance of Free Democrats [SZDSZ] led by SZDSZ Chairman Ivan Peto held talks in Germany and Belgium this week. After his return, we asked Ivan Peto whether he sees any contradiction in the fact that, as an opposition party, the SZDSZ held talks on foreign policy matters abroad.

[Peto] A country is judged not only on the basis of the governing parties. The opposition is also taken into consideration. It only benefits a country's evaluation if the government parties are able to represent a similar position. Of course, domestic policy also plays a role in the evaluation of a country. A realistic information also requires the knowledge of the position of the largest opposition party on essential issues.

[Decsi] Were your negotiating partners abroad interested in Hungarian domestic policy? Did you discuss the future elections?

[Peto] Interest was bigger in Germany, but I saw that Belgium was also paying attention to Hungary's situation. Our negotiating partners were interested in our evaluation of the processes taking place within the Hungarian Democratic Forum [MDF]. We told them the same as we have repeatedly declared at home, because the SZDSZ does not have two different positions.

[Decsi] Did the SZDSZ commit itself to a certain foreign policy trend?

[Peto] Of course, mainly on the issues that determine our foreign policy. We took a position in favor of guaranteeing our associate membership in the EC as soon as possible, and of determining the norms of joining the EC. We also stressed the need to deal with the countries in Central-Eastern Europe. This need made it into the statement adopted at the meeting of European liberal party chairmen at our initiative. We also represented a firm position on security policy matters. During these talks, we also stressed that Hungary would welcome security guarantees. We also spoke in favor of the fate of national minorities living in the neighboring country.

Christian Democrats End National Meeting

AU2106165093 Budapest MTI in English 1641 GMT 20 Jun 93

[Text] Budapest, 20 Jun (MTI)—Seven-hundred delegates took a stand for party unity at the the 3rd national meeting of the Christian Democratic People's Party (CDPP), a member of Hungary's ruling coalition.

The two-day meeting clearly showed that members want to maintain the present coalition, CDPP Chairman Laszlo Surjan told a political rally at Miskolc University, northern Hungary, on Sunday [20 June].

He saw the assertion of Christian social ideas and Hungary's intellectual and moral reconstruction as CDPP's chief goal.

Discussing his party's relations with the churches, Surjan said that the CDPP advocates the freedom of the churches and the complete ensurance of their operation because it believes the country's future is inconceivable without the churches.

Speaking to reporters after the meeting, Surjan said: It should be understood that it is impossible to give six different answers to the country's problems, which means that today's six parliamentary parties are already too many. The current trend of development shows that only Christian democratic, social democratic and liberal alternatives can exist in the long run, Surjan said.

United Social Democratic Party Established

LD1906194893 Budapest MTI in English 1707 GMT 19 Jun 93

[Text] Budapest, June 19 (MTI)—The Social Democratic Party of Hungary (SDPH), the Independent Social Democratic Party (ISDP) and the Social Democratic People's Party (SDPP) today decided to unite their ranks.

The three parties adopted a political declaration on their common intention of unification, and agreed to name the new party at their congress on October 2-3.

SDPP Chairman Zoltan Kiraly, an independent MP [member of parliament], later told reporters that, past the bottom point, historical social democracy has a chance to become a major political factor after unification. He saw the merger necessary because the parties separately would not represent adequate strength at the 1994 elections.

The Social Democrats failed to get into parliament at general elections in 1990. Kiraly became MP with the support of the Hungarian Democratic Forum, the leading party of the government coalition.

Report Provides Figures on Economy

AU2106190493 Budapest PESTI HIRLAP in Hungarian 19 Jun 93 p 7

[MTI-report: "The Economy's Performance in 1993—Fewer Unemployed"]

[Text] Until the end of April, the state budget's revenues increased faster than its expenditure. In the four months, the budget deficit was 71 billion forints, which is 4.3 billion forints more than the year before, the latest report of the Central Statistical Office [KSH] says.

The population's income from central sources increased relatively moderately, slower than a year before. The increase of consumer prices was also slower than before, although not to the extent of the money outflow. The actual value of money incomes decreased more than last year.

Industrial output was again higher in April than a year before, therefore, in spite of the fall in the first two months, industrial output in January to April reached, or exceeded by 0.3 percent, the 1992 level. Construction industry enterprises carried out construction and assembly work to the value of 27 billion forints in the first quarter, which is 13 percent less than a year before.

The wholesale state purchase of agricultural products and the size of the livestock have continued to decrease and this reached 35 percent in the four months. Unfavorable weather is also making agriculture's position worse.

According to the KSH figures, the volume of exports decreased by 25 percent in foreign trade while imports slightly increased. This resulted in a trade balance deficit. According to customs statistics, this four months' deficit exceeds 1 billion U.S. dollars.

In the first four months of 1993, some 9.3 million foreigners visited Hungary which is almost 24 percent more than a year before. Until the end of April, Hungarian citizens travelled abroad on 3.2 occasions. However, this is lower than the number of journeys in the same period last year. The reduced traffic on the Serbian border is the main reason for the decrease.

Following the March trend, the number of unemployed again decreased in April, at the same time, the number of unregistered unemployed increased. In May, the subsistance level for a family of two adults and two children under 15 living in a city was 43,800 forints, which is 10,950 forints per head, some 50 forints more than in April.

Production Difficulties Reported at Uranium Mines

AU2106120593 Budapest NEPSZABADSAG in Hungarian 18 Jun 93 p 5

["R.Zs."-signed report: "Nuclear Waste Storage Facility To Replace Uranium Mine"]

[Text] The possible purchase of the uranium mines in Pecs did not come up at all at the earlier negotiations with the Atom Energy Co. Ltd of Canada (AECD). The technical and economic heads of the firm are now examining ways of reducing production costs and finding an appropriate site for nuclear waste storage—Istvan Szucs, deputy state secretary at the Ministry of Industry and Trade, told us in reacting to the rumors in Pecs.

The situation at the uranium mines has deteriorated considerably in recent months. The 1,700 workers are no longer able even to produce the amount of uranium stipulated in the contract signed with the Paks Nuclear Power Station; at the same time, they want to sell enriched uranium for $67 per kilogram, instead of $60 as agreed.

According to Istvan Szucs, the workers' lack of discipline is causing a lot of problems: Many of them spend an average of 100 days on sick leave annually, because this way they are better off than being in the mines. However, on the basis of preliminary consultations held with the Canadian experts, we do not have to fear the complete closure of the mines. If such a closure nevertheless took place, the planned nuclear waste storage and the recultivation works following the closure of the mines would provide a safe livelihood for the workers.

Walesa Denies Attempts To Gain More Power

LD2206120593 Warsaw Radio Warszawa Network in Polish 1005 GMT 22 Jun 93

[Report on comments made by Polish President Lech Walesa at meeting with radio and television staff in Warsaw on 22 June; passages within quotation marks recorded]

[Excerpts] The president has put forward an initiative to set up the Non-Party Block in Support of Reforms [BBWR]. The continuation of work in this area is not his business, Lech Walesa said at a meeting with the radio and television staff. The meeting was being held in the television studio on Woronicza street in Warsaw this morning.

[Walesa] "I am not putting forward this idea for myself. I am only putting forward an idea. I think it is a good idea. As I told you, ladies and gentlemen, no person I have been talking to—and there have already been hundreds of discussions, group and individual discussions—said that it is a bad idea and that it should not be supported. Of course, there are doubts when it comes to party politics and other things, but for today this is the best possible idea, which can sort out the Polish scene. That is why I am not doing this for myself. I am not creating a presidential party, although I could already have done it on the basis of this. I could have already done it many times before. I am not aiming to become the big chief and I am not doing this for various reasons. There is one reason, however, and that is there will be another president after me. If I destroy political parties for him and if I leave a presidential party for him, it is not known what he will do and how. So, I am defending this not only for myself. I have fought for democracy for 25 years and I will remain a democrat. I will not do anything against my conscience and belief, and so on. I will not do anything wrong, and if I do something wrong I will apologize. I will not do anything wrong but I do not know what the person who will come after me will do. So, I ask you for the last time: please abandon the way of thinking that the president is ambitious and striving for power, that I want to be king, that I want as much power as possible for myself. It is not true."

Asked whether the BBWR will be antigovernment, as the president thinks that the country is governed badly, Lech Walesa replied:

[Walesa] "The Polish political scene is obscure. We can all hear that the nation is tired of party politics. When I hear such voices I am trying to make the Polish political scene clear, clear before the elections, and clear and precise after the elections." [passage omitted]

President Walesa said that the BBWR would not put forward its own candidate for prime minister.

[Walesa] "On the subject of government I would like to say what I said at the beginning, that the winning party will have the prime minister. If the party is too small, a coalition will have a prime minister. I would like to stick to this. For the sake of a model and for the sake of the future it would be bad if political parties were deprived of this. I will make efforts and requests to prevent this from happening, so that in accordance with classic democracy the winning party .... [pauses] It has happened before. The Democratic Union was given an opportunity to select a prime minister. This did not happen but it had nothing to do with me. Now I will try to do a similar thing. I cannot, however, be held responsible for things which are still in the process of being organized. I will, however, insist, as I have given my word for it, on three candidates. I will not agree to a single candidate as it may be someone who cannot stand me, or cannot stand the set-up in general. For this reason I want three candidates because then I can chose the lesser evil."

Defends Non-Party Reform Bloc

LD2106155693 Warsaw PAP in English 1513 GMT 21 Jun 93

[Text] Warsaw, June 21—President Lech Walesa defended his concept of the Non-Party Reform Bloc (BBWR) during a meeting of the Council for Mass Media and Information on Monday, saying that this was his best concept consisting in formulating four theme groups and encouraging people to acquaint voters with concrete solutions with a view to ensuring the success of Polish reforms.

Asked if his initiative strives to weaken the Polish party system, Walesa said that what he proposed should have every party. [as received]

Explaining the principles of the BBWR to members of the council, Walesa said it would be necessary to set up the bloc. He said this would have to be done as Poland was heading for a chaos and losing people, while the nation demanded concrete steps.

He told members of the council it would be possible to push this country forward if they encourage society to do so. He said he was the proof that it was possible to achieve the impossible thing.

Suchocka Appeals for Rapid Integration With EC

LD2006194093 Warsaw PAP in English 1736 GMT 20 Jun 93

[Text] Copenhagen, June 20—Prime Minister Hanna Suchocka on Sunday issued a strong appeal to the leaders of the European Communities (EC) to issue "a clear signal" that the community wishes to integrate the countries of central and eastern Europe into the EC.

In a letter to Danish Prime Minister Poul Nyrup Rasmussen on the eve of the EC heads-of-government summit in the Danish capital Copenhagen, published in Sunday's edition of the "POLITIKIEN" daily, the Polish

prime minister repeated Poland's interest in the development of political dialogue leading to gradual integration, political cooperation, and greater security in Europe. "We desire more concrete decisions, such as the participation of Poland as an observer at meetings of the EC Council of Ministers where the discussion will cover topics of mutual interest."

Ms Suchocka expressed her disillusion at the protectionist stance adopted by the EC. "Having signed a treaty of association with the EC, we believed that this cooperation would guarantee us an opening for trade and other exchanges, to stimulate the reform process. (...) our expectations have not been met. We are now witnesses to a growing deficit with the states of the EC. This lack of balance contributes to the growth in opposition to the process of reforms in Poland." She emphasised that "the deficit has been caused by protectionist restrictions on the part of the EC."

Suchocka, Indonesia's Alatas on Trade Ties

LD2106171793 Warsaw PAP in English 1642 GMT 21 Jun 93

[Text] Warsaw, June 21—Prime Minister Hanna Suchocka in a talk with the visiting Indonesian Foreign Minister Ali Alatas on Monday afternoon expressed hope for the successful development of political and economic relations between Poland and Indonesia.

Minister Alatas briefed Hanna Suchocka on the directions of his country's economic growth and declared interest in economic cooperation with Poland which, according to him, can be conducive to Indonesia's entering the markets of the former Soviet Union.

The sides also discussed Poland's engagement in Indonesian shipping and mining industries, and touched on issues related to the functioning of governments and parliaments in the two countries.

Parties Contesting Sejm Elections Profiled

AU1706133293 Warsaw GAZETA WYBORCZA in Polish 5-6 Jun 93 pp 10-13

[Report by Jaroslaw Kurski, Agata Nowakowska, Dominika Wielowieyska and Wojciech Zaluska: "An Electoral Gazette"]

[Text] We have already made our choice. We have decided to provide readers with an introduction to 14 of the strongest groupings; a brief history of them, the size of their memberships, their organizational efficiency, and the state of their finances. We have written about their leaders and the way they conduct politics. We have thought about what they might base their election campaigns on. We asked the leaders about their greatest blunders and greatest successes. We want to help you make your choice in the elections. The parties are arranged—and this is the only point that is not controversial—alphabetically.

The Liberal-Democratic Congress [KLD]: In Love With Capitalism

Their slogan: Don't count on the state, count on yourself. They themselves are counting on the result they obtained in the 1991 elections, that is, 7.5 percent of the vote. They are to be assisted in this by Western specialists, the same ones who contributed to the success of the British conservatives and the German CDU.

The prehistory of the KLD began in 1983, when "a group of young people in love with capitalism" published the first edition of the underground PRZEGLAD POLITYCZNY in Gdansk. They then set up companies, cooperatives, and economic societies. The party was formed in the middle of 1990.

The party's first leader was Jan Lewandowski, who at that time was already working on the mass privatization program. He was aided by Donald Tusk and Jan Krzysztof Bielecki.

In the presidential elections, they supported the Gdansk citizen Lech Walesa, who criticized the Balcerowicz plan at rallies, but was in fact holding consultations with liberal experts.

In 1991, the Bielecki government carried on with the Balcerowicz-Mazowiecki reform. After the fall elections, they tried to create a government in the Sejm along with the PC [Center Accord], the ZChN [Christian-National Union], the KPN [Confederation for an Independent Poland] and the PL [Peasant Accord]. "I don't know how we could have believed that we could form a cabinet together with KPN," recalls Donald Tusk today, "I think that was our greatest blunder."

They do not recall 1992 with nostalgia. Jan Olszewski, the new prime minister, accused the liberals of embezzlement and attacked the Bielecki government over the budget deficit. The KLD sank into torpor. Lech Mazewski's opposition group within the party wanted to turn the KLD into a Christian-liberal grouping.

However, at their fall congress, Tusk resolutely defeated Mazewski. Delegates returned home with thick files of programmatic documents. "We gained a new dynamism," recalls Pawel Piskorski.

Being in opposition to the Olszewski cabinet, the KLD moved closer to the Democratic Union [UD]. Along with the PPG [Polish Economic Program], they created the so-called small coalition, the only bloc in parliament that openly backed the Balcerowicz plan. Halfway through last year, the "group of the three" plus the ZChN, the Polish Convention and the PL formed the present governing coalition.

They have been preparing for elections for the past six months. They have a campaign plan ready and a campaign director, Jacek Merkel.

As for money—"One things is certain: We will not take out any loans, we do not want to live on credit."

The KLD has barely 3,000 members. They are counting on the votes and the money of people who are pleased with the reforms, those who have been successful in the Third Republic. Every candidate seeking election as a deputy will have to contribute between 5 and 10 million zlotys to the election campaign.

There will not be many businessmen on the KLD lists this time. "They were not good deputies, because they were concentrating on their businesses. We had low turnouts, because of them," complained one former KLD deputy. So, they will be putting forward professional politicians, and they will propose the following arrangement to businessmen: We will promote legislation that will be advantageous to you, and you will give us votes and money in return.

They do not intend to stick up posters all over every town. Piskorski: "We know from experience that they are not very effective." The KLD is counting on a presence in the media. We will see their political video clips on television.

Pollsters will visit ten towns to establish what characteristics of the KLD's leaders people like most of all and those will be highlighted. The driving forces behind the KLD campaign will undoubtedly be Jan Krzysztof Bielecki, who has been in the top ten in popularity rankings over the past two years, and Donald Tusk, who has a definite place in the next ten. Privatization Minister Janusz Lewandowski will also feature prominently.

Privatization will also no doubt become the liberals main election trump card. "The program is the first step toward a system in which everyone will own something," is how Piskorski advertises it. For a long time now, the KLD has also been calling for a reduction in taxes. The so-called linear tax rate (20 to 25 percent) that they are proposing should appeal to everyone who earns a lot.

The liberals do not have their own newspapers. It is true that they still publish PRZEGLAD POLITYCZNY, but it appears once every few months and has a print run of between 3,000 and 5,000 copies. It is openly backed by NOWA EUROPA, which is run by the KLD man Witold Gadomski. It has supporters in television, radio, and the large circulation press.

Liberals are on the ruling bodies of economic chambers. They get on well with the Business Center Club. Andrzej Machalski is head of the Confederation of Polish Employers.

However, they cannot count on trade union support. Shortly before the Sejm was dissolved, they announced they would do everything possible to curb the influence of the trade unions.

The liberals' lifestyle was still considered shocking until recently—they played football, rode, and went to rock concerts. The world of politics has stopped being so unbearably serious as a result of the KLD. Now even the ZChN organize football matches.

The Confederation for an Independent Poland [KPN]: We Are Playing To Win the Lot

The oldest anticommunist party in Poland (it was formed in 1979) was not present at the Roundtable. In the 1990 local government elections, Leszek Moczulski lost in Warsaw, and he came last in the 1990 presidential elections. In 1991, the KPN scored a great election success for a change: 51 deputies and four senators.

The KPN has no permanent advisers, and it said that it is run by the Moczulski clan: "the leader" Moczulski and his son-in-law Krzysztof Krol. Moczulski's wife Maria is also supposed to wield great influence.

"We have over 20,000 active members and more who have membership cards. The KPN has its own trade union, 'Kontra,' a youth branch, and 'Strzelec,' a paramilitary organization," says Krol.

The publication RAZEM, which was allocated to the KPN, went bankrupt, but they have an internal party weekly called GAZETA POLSKA (not to be confused with Wierzbicki's GAZETA POLSKA, which Moczulski says is "for reading in the john").

KPN deputies regularly visited striking workers (the miners, for example) and they willingly spoke to demonstrators outside the Sejm (health service workers, for example) and—shortly before the vote of no confidence in the Suchocka cabinet—they invited Maciej Janowski, the radical "Solidarity" leader of the "Mazowsze" chapter to talks.

The KPN supported the draft vetting law, but when Macierewicz added Leszek Moczulski to the list of suspected agents, they helped the Sejm, as the KPN leader put it, "chase the bear back into its cage."

Regarding the budget, the KPN called for a significant increase in the budget and the printing of more money. It proposed a law on the restitution of independence, which would have made it possible to stop repaying debts to Western creditors, because the loans were taken out by the Polish People's Republic.

The KPN called for government heads to roll: They the dismissal of ministers (Janusz Lewandowski on two occasions) and to place some of them before the State Tribunal (Leszek Balcerowicz for example). It voted for higher pensions and higher benefits for the unemployed.

After the vote of no confidence was passed, KPN members were the only deputies who gave the impression of being happy. When the Sejm speaker read out the decision to dissolve the Sejm, they applauded loudly.

"Our greatest success in the Sejm was that we did not change. We are the same, regardless of whether we are acting in the streets or in the Sejm. We have not become corrupted. Our biggest blunder? Sometimes discipline was lacking, and we were short of a few deputies," is what Krol told GAZETA.

As far back as April, the party declared a "higher state of readiness." Krol told GAZETA then: "It is time to get down to work. Spring has come."

As part of the "Glove" campaign, the KPN invited other parties to take part in "verbal duels." The KLD deputy Waldemar Pelc fell victim to that and appeared at a meeting in Krakow. After being abused by the participants, he left the meeting after less than an hour.

As part of the "Surprise Raid" campaign, KPN filled out tens of thousands of special "personal questionnaires" on persons "holding important functions in the state and regional administration or are of interest to the KPN for whatever reason." The "black" questionnaires are for persons who are "incompetent, corrupt, hostile toward the KPN and should be removed at the first available opportunity." There were fewer of the "white" questionnaires, which are for people that the KPN considers suitable for use for various jobs and assignments.

Moczulski has announced that within the first few weeks of being in power, he will carry out a series of spectacular arrests. "It will be a signal to society that order is being restored."

The KPN promises: increases for state sector employees and pensioners; cheap investment credits for entrepreneurs; debt relief and subsidies for state enterprises; closed borders for farmers; and lower taxes for everyone.

Moczulski has announced decommunization all the way down to the senior factory worker level. These slogans plus the argument of "not being tainted" by government will no doubt be the main thrust of the KPN election campaign.

According to "the leader," finding money for the elections will not be a problem for the party: Every member is obliged to work for and subsidize the KPN: "The previous campaign cost us less than one television commercial placed by the UD or the KLD." Krol has announced that in these elections the KPN will get at least twice the number of seats it has at present, that is, about 100.

The greatest concentration of KPN supporters is among skilled workers or people with a vocational qualification. The strongest centers are: Katowice, Lublin, Krakow, Poznan, Warszawa, Gdansk, Wroclaw, Rzeszow, and Torun.

The Center Accord [PC]: War Against Everyone

"If the center-right does not field a single election list, that means that it is crazy," is what Jaroslaw Kaczynski, the leader of the PC, told us. However, although barely a week goes by without a meeting attended by the PC, the RdR [Movement for the Republic], and several smaller groupings, and appeals for a center-right coalition keep being issued, but a coalition still cannot be formed. It is true that they agree that Poland needs vetting and decommunization, but they cannot agree on how that should be accomplished. They cannot agree on who would run against Walesa in future parliamentary elections. The RdR points to Olszewski, but the PC says no to that.

If Kaczynski were to combine forces with Olszewski, a bloc could emerge that would be reminiscent of the old PC in its breadth—a grouping that shook the Polish political scene. The PC was formed in the first half of 1990 as a federation composed of several political circles: Christian democrats, liberals, and peasant and trade union activists.

Gathered around Kaczynski was that part of the old post-"Solidarity" opposition that did not like the policy of "wiping the slate clean" and Workers Defense Committee, which in their opinion had taken over the government (Tadeusz Mazowiecki) and the Citizens Parliamentary Club (Bronislaw Geremek). Kaczynski launched a fierce propaganda campaign under the slogan of combating a political monopoly. As he recently acknowledged in the book the "June Frauds," he had counted on being able to divide the political scene into two camps. He himself was to be the leader of the center-right and assigned a left role to the groups that today make up the UD. In the presidential elections, society was to be divided into electorates of one or the other of the two camps.

The plan was a flop. Walesa as president neither wanted to end the policy of "wiping the slate clean" or to realize "the Kaczynski plan." At the end of 1991, the PC leader promoted his party colleague Jan Olszewski for the post of prime minister and Walesa protested. Kaczynski did not give in and that is how the PC's war with the Belvedere began.

Kaczynski wanted to wage the war in alliance with the UD, which he had been fighting until then, and proposed to Olszewski that it be brought into the coalition, which was to ensure that the government would hold sway over the president. The dispute with Olszewski over the UD was the cause of the first whole series of splits in the PC. Olszewski and his supporters left the PC and formed the RdR.

Asked about the PC's greatest achievement, Kaczynski replied without hesitation: "the Olszewski government." His greatest setback? He replied resolutely once again: "Its collapse."

At the beginning of the Sejm's term of office, the PC Club had 46 deputies and 24 when the Sejm was dissolved. Some left to join the RdR, some went to the liberals, and others chose independence.

To pass the 5 percent election threshold, Kaczynski must have a center-right coalition, because otherwise the PC and the RdR will be fighting over the same electorate. Judging by their slogans, they are counting most on the votes of all those who are not faring well in the Third Republic. That the PC should have called its most recent congress in Sosonwiec was no coincidence. "It was a

gesture toward Poland-2," is what Adam Glapinski, the PC deputy chairman, told us.

The PC finds itself in a bad position at the beginning of the campaign. It cannot count on the support of the media. No doubt only EXPRESS WIECZORNY, TYGODNIK SOLIDARNOSC, and Piotr Wierzbicki's GAZETA POLSKA will write about it warmly.

The PC's leader will not be its trump card: Jaroslaw Kaczynski has occupied last place in the popularity rankings for years. There is no doubt that this is in part the result of his style of conducting politics—he runs the party in an authoritarian manner and does not spare epithets with regard to his political opponents. What is interesting is that "privately" he is very affable and tends to be mild-mannered.

The PC is also short of money. They recently had to move their headquarters in the center of Warsaw to another place, which is still in the capital, but in a worse location. As Kaczynski told us, it is mainly counting on the generosity of its sympathizers. PC candidates will probably be made to pay a charge—those who occupy the first places on lists will probably have to pay 10 million zlotys each and those further down will pay 5 million zlotys.

We tried to work out how much money has ended up in party coffers from member's dues. However, how many members the PC has is not known. The party's politicians cite various figures, ranging from 10,000 to 30,000.

The Party of Christian-Democrats [PChD]: We Serious Christian-Democrats

At present it has six deputies and three senators. It was created in 1991 out of a circle of Christian Democrats belonging to the Citizens Parliamentary Club and a group of Christian-Democrats from outside parliament. Its first chairman was Senator Krzysztof Pawlowski. Asked at the time what differentiates the new party from the existing Christian-National Union [ZChN], Pawlowski replied: "Serious Christian-Democrats never have nationalist phobias. According to classic national democratic thinking, the people are virtually everything. The unity of the people is just one of the elements that join us."

In March 1992, Deputy Pawel Laczkowski became party chief. At that time he belonged to the coalition that backed the Olszewski Government. The party quit the coalition in protest against the prime minister's reluctance to expand the coalition any further. As deputy prime minister in the Suchocka Government, Laczkowski spoke in the Sejm and on television during the strikes, explaining why there were no budget funds.

No wonder the Christian-Democrats and Aleksander Hall's conservatives belonged to the same parliamentary club (Polish Convention). Both these groups are equally calm, and do not incriminate each other. Laczkowski's party has been more loudspoken in its opposition to abortion.

When GAZETA investigated what had happened to the Solidarity opposition deputies who were elected to the Sejm in 1989, it discovered that as many as 23 of them had joined the PChD, having previously tried to join other parties.

"We will most probably go to the elections in coalition with the Peasant-Christian Party [SLCh] and Conservative Party, in other words the same parties we were with in the Polish Convention club," PChD deputy Anna Knysok told GAZETA. "We intend to place our candidates in all voting districts. It so happens that we have a good partnership with our potential allies. If we do not have an infrastructure in a particular voting district, they are bound to have one. We have no money for an election campaign, except for a minimal amount of savings, about 20-30 million zlotys. We expect our own candidates, plus our sponsors, to provide funds. We are rather afraid of an avalanche of demagogy. We do not want to indulge in aggression and slander."

The Conservative Party: Coalition, Yes. Voters?

The Conservative Party was formed by six deputies belonging to Aleksander Hall's Faction of the Democratic Right who quit the Democratic Union on 20 September 1992, an event that figured prominently in the press. Hall justified this move by the need to establish a modern right wing in Poland. "We cannot allow the electorate to be taken over by political streams that are either extremely ideological, or apply Bolshevik methods couched in right-wing jargon," said Hall on that day.

Indeed, Hall's conservatives, who joined the Polish Convention club in the Sejm, are relatively soft-spoken, except when it comes to commenting of the activities of the trade unions.

In December 1992 they merged with Michal Wojtczak's Republican coalition (Wojtczak was linked to Tadeusz Mazowiecki in 1991, but decided not to join the UD) and the Upper Silesian section of the Liberal-Democratic Congress.

The Conservative Party is critical of using the church for short-term party objectives.

It is not known what sort of electorate they will have or whether they will have an electorate at all. In April they signed a cooperation agreement with the Union of Real Estate Owners, which has 60,000 members.

"We ourselves have about 1,500 members, and our strongest representations are Gdansk, Warsaw, Bielsko-Biala, and Katowice," says Kazimierz Michal Ujazdowski, one of the leaders of the Conservative Party.

The program of the conservatives includes moderate taxes, a strong police force, budget restructuring (e.g. savings in social security by making the gminas [administrative districts] responsible for it), protecting Poland against the ambitions of trade union leaders, and a compromise in church-state relations.

The conservatives want to earn money for the elections from businessmen sympathetic to their program, as well as from a fund called the De Tocqueville Fund which they set up last year.

According to Ujazdowski, the best solution for the Conservative Party is a proreformist coalition bloc that would proceed to the elections in unity. Nevertheless, he thinks this possibility is becoming less and less likely. The party could also proceed to the elections together with one of the groups represented in Suchocka's government (the UD, KLD, or ZChN).

"Fighting a duel would be very risky, considering the fact that right-wing ideals have been discredited by the so-called right-wing option. Conservative ideals are embedded in society; our potential electorate exists, though it might be a problem to exceed the five percent threshold," says Ujazdowski.

He admitted that his party might get between 3 and 5 percent of the vote.

The People's Accord: Janowski and the Good Farmers

It is difficult to say how many members the People's Accord [PL] has, for all PL members are trade unionists, representing Rural Solidarity, but not all trade unionists belong to the PL. It has virtually no field structures at voivodship and gmina level. Gabriel Janowski governs the party in a dictatorial manner.

No doubt the PL's greatest success, but also its greatest setback, was the fact that Gabriel Janowski became agriculture minister. After several months in office, Janowski was forced to face the rural population's concentrated dissatisfaction with the government's policies, and his ineptitude became increasingly evident. His ostentatious dismissal from the government improved the PL's image in rural areas.

Whenever the PL needs support, it turns to the farmers as a kind of trade union representation. Its program calls for higher minimum prices for agricultural produce, cheaper credits, and lower customs tariffs on food imports. The PL is mainly supported by small-scale farmers managing three to five hectares of land. Most of these are to be found in the poorer areas in the east of the country, where the PL's populism falls on more fertile ground.

Certain signs of disintegration have appeared within the PL recently, and a modest opposition has already gathered around PL parliamentary club chief Feliks Klimczak.

The Polish Peasant Party: Pawlak for Prime Minister!

The Polish Peasant Party [PSL] was formed out of the United Peasant Party [ZSL], a rump of the Polish United Workers Party. In December 1989, the ZSL turned itself into the PSL "Rebirth," until the May 1990 unification congress, at which PSL "Rebirth" merged with the small PSL Wilanow group which consisted of PSL veterans of the 1940's, plus energetic rural oppositionists. Thanks to this merger, the PSL gained credibility and abandoned, in theory at least, its inglorious past. Roman Bartoszcze, Rural Solidarity activist, became PSL chairman. One year later, Bartoszcze founded his own party, Patrimony, and his place as PSL chairman was taken by Waldemar Pawlak, Rural Youth Union activist.

Waldemar Pawlak thought his most important task was to calm down sentiments within the party. He succeeded. Today the PSL is exceptionally homogeneous. If there are any internal splits, they are concealed. The PSL's greatest success is its own consolidation and Pawlak's election to the prime minister post in June 1992. But even kind observers say that a failure to make the most of this chance was a setback for the party, for Pawlak failed to form a government. Pawlak himself disagrees; he says it was not the PSL that suffered a setback, but all the other parties.

Despite numerous talks with Suchocka's ruling coalition and her opposition, the PSL has not succeeded in joining any coalition. The obstacle to this is probably Pawlak's own pride. His colleagues say that the only position Pawlak is prepared to accept in any government is the prime ministerial position, and nothing else.

The PSL considers itself the largest political party in Poland, claiming to have 200,000 members. It has supporters in the former rural *nomenklatura* and among past managers of state and cooperative farms. In the coming elections, the PSL can count on the support of the 500,000-man Voluntary Fire Brigade, of which Pawlak is also chairman.

The PSL claims to have a representation in every single gmina, and is already prepared for the elections. It needs an election fund, but it claims its rural supporters are willing to help. Its trump card in the election will be Pawlak himself, for his 33 days as prime minister went down very well among rural communities.

The PSL proposes a so-called third path, i.e. a "socialized market economy." There is no turning back from the reforms, therefore greater social security for the most needy is required during the transitional period, say PSL activists.

The PSL rates its own election chances very highly—among the top three parties. The PSL would like to enter into a coalition with the ZChN and SLCh.

The Movement for the Republic: Decommunization and a Second-Class Poland

The Movement for the Republic [RdR] is generally identified with decommunization, and rightly so. But hardly anyone notices this party's programmatic effort. Lately, the RdR has prepared several pieces of draft legislation, including a draft law on the State Treasury and an alternative privatization program to the government's own program. Olszewski clearly wants to be a serious leader of a serious party. He dislikes Walesa as much as Kaczynski, and did not take part in the anti-Walesa demonstration. In the Sejm he avoided quarrels.

Olszewski has several faults, one of which is his stubbornness. Eighteen months ago he became offended with Kaczynski and still is. And yet the two men both chaired the Center Accord at the end of 1991.

Olszewski owed his prime ministerial post to Kaczynski, but he did not accept Kaczynski's personnel and political suggestions (Kaczynski suggested that Siwek be chief of the Office of the Council of Ministers, and that the Democratic Union join the Olszewski government coalition). Olszewski was convinced "there was no alternative" to his government, and that Macierewicz's disclosure of the files on secret police collaboration would frighten both the president and the parliamentary opposition. He was wrong. Later, Olszewski quit the Center Accord, and that is how the RdR came about.

Under the Suchocka Government, the RdR and Center Accord were firmly in the opposition. Only once did the RdR vacillate. During the budget debate, it attempted to make a deal with the government. It offered to vote for the government's budget in return for the government's permission to decommunize the Belvedere. Nothing came of it.

Later, for several months, the RdR worked on its own alternative economic program, which it wants to present during the election campaign. When Olszewski was prime minister, his colleagues boasted that he never ruined Balcerowicz's economic plan. Olszewski kept inflation and budget spending under control, although he virtually put a stop to privatization.

Now the RdR intends to win the votes of those who are dissatisfied with the reforms. Like the Center Accord, the RdR has "made gestures toward a Second-Class Poland" and held a congress in Minsk Mazowiecki outside Warsaw. Having in mind "those who have lost," the RdR is to prepare an unemployment insurance program, among other things. The RdR is counting on cooperation with and the votes of Solidarity, something that is encouraged by close ties with some Solidarity activists, for example Andrzej Smirnow.

Jan Olszewski is the unquestioned leader of the RdR, but he is not very likable. He is rather despondent and overbearing.

The RdR will have to rely on the signatures of supporters on voting lists. "We are prepared for that," says Andrzej Anusz, head of the RdR election campaign. "We have the addresses of 15,000 supporters in our computer. We will ask them for their support and for their signatures. We realize we are not very popular in the press, but we try to make up for that by means of our energy."

Money? The RdR is counting on donations. "The election campaign will certainly not be rosy," says an RdR politician. "There will be no fireworks. We have neither the money nor the inclination for that. An extravagant election campaign would go down badly if there is poverty all around."

No one knows exactly how many members the RdR has, but the RdR itself claims to have 10,000.

The Peasant-Christian Party [SLCh]: Market Diplomats in Rural Areas

The SLCh claims to have 22,000 members. It has field representations in 42 voivodships, but is virtually absent in the poor voivodships of the east.

The SLCh arose in September 1989 as the Solidarity Polish Peasant Party, and assumed its present name in May 1992.

"The SLCh program is addressed to the whole of society, not just rural society. For us, class differences are over," says deputy chairman Artur Balazs.

Although the SLCh has the smallest parliamentary representation out of all the peasant parties, it has given the Suchocka Government the greatest number of ministers, which illustrates the diplomatic capabilities of its leaders. The SLCh admits to having close links with the ZChN and RdR.

The Social Democratic Party of the Republic of Poland [SdRP]: The Alliance and Its Allies

The Social Democratic Party of the Republic of Poland, successor to the Polish United Workers Party, arose in January 1990. Out of the 58 deputies belonging to the Democratic Left Alliance [SLD] Parliamentary Club in the last parliament, 39 belonged to the SdRP. The SdRP has about 60,000 members, and about 700 local government officers. Its field organization is excellent. The All-Polish Trade Union Accord [OPZZ] is the strongest trade union in Poland, at least in numerical terms. In the Sejm, the SLD Parliamentary Club, of which the SdRP formed part, was considered affluent, enjoying the incomes generated by all sorts of *nomenklatura* companies. The costs of an election campaign are considered no obstacle to this group.

SdRP chairman Aleksander Kwasniewski told us that SLD people cannot stand being attacked by outsiders and being reminded of their past membership of the Polish United Workers Party. "We want to be loyal and consistent," he says. "We have chosen our friends and

our attitudes, and wish to remain loyal to them. One cannot simply wash away the color red."

Journalists have identified inside the SLD club an ideological-conservative faction, headed by Leszek Miller and Jerzy Wiatr, and a programmatic faction headed by Aleksander Kwasniewski and the popular Jozef Oleksy. All these men are in the SdRP. The OPZZ is headed by Ewa Spychalska.

The SdRP main propaganda organ is TRYBUNA (formerly TRYBUNA LUDU).

The SLD will probably proceed to the elections in its present form, though not decisions have been made yet..

"They tried to throw us out with the trash, but today we have the biggest parliamentary club in the Sejm and more and more supporters," said Kwasniewski to the Second SdRP Congress. "The SdRP offers an alternative to the rightwing governments that have brought about a new division of society because of their excessive economic liberalism and religious ethics."

Leszek Miller says the SdRP should combat "rapacious capitalism" and the clericalization of social life, win next year's local government elections, and win new members, not just former communist party members and people who lived well under the People's Republic, but also pensioners, the unemployed, and young people "for whom August 1980 is mere history."

In his congress speech, Kwasniewski was the only speaker to attempt to summarize the past. He underlined the "social achievements of the People's Republic era," but was pleased that Poland was able to make sovereign decisions, that "the opposition may speak with a full voice in the Sejm, and that the SdRP may hold congresses legally, without going underground," and that censorship and "the fictitious economy" are things of the past. Despite expectations, the SdRP congress did not adopt a resolution on the SdRP's attitude toward the communist past.

In its program, the SdRP favors a "social market economy" and an active role of the state in it. It shuns a "centralist, command-directive national economy," but also rejects a "liberal-capitalist economy and doctrinal privatization based on faith in an invisible hand."

In its election program, the SdRP will call for a fair distribution of goods and a prevention of glaring consumption differentials between various social groups. Its election campaign will underline the fact that it has an alternative economic program, which in fact many people doubt.

The Solidarity Independent, Self-Managing Trade Union: Two Solidarities

The first Solidarity congress in 1981 called for free elections to be held immediately. Jan Rulewski proposed a deal with the PZPR; free elections in return for one third of the seats in the Sejm. This compromise was as prophetic as it was premature.

On 17 April 1989, Solidarity was re-registered. On 4 June, it made a triumphant return to the political scene, by capturing every single one of the Sejm seats available to it by previous agreement (35 percent of all Sejm seats), plus 99 out of the 100 seats in the Senate.

But a dilemma soon emerged—how to be a workers force and a reformist force at the same time. This caused a split among the trade union's activists, as a result of which some of them migrated into politics. Inside parliament and the government, Solidarity's elected representatives began to represent the state's interests, which were contrary to workers' interests.

Solidarity decided to set up its own parliamentary representation for the 1991 elections. It thought it would win most of the seats in the Sejm, so it decided that a small parliamentary representation would be necessary. But Solidarity suffered a resounding election defeat, winning only 5 percent of the votes (27 Sejm seats and 11 Senate seats).

Inside the parliamentary club and National Commission, a dispute arose on what kind of union Solidarity should be, whether it should voice demands, or whether it should adopt a reformist course, whether it should demand improvements to the standard of living, or whether it should continue to defend the reform program. The dispute reached dramatic proportions.

The reformist course was defended by activists of the original Solidarity leadership—Jan Rulewski, Wojciech Arkuszewski, Bogdan Borusewicz, and Janusz Pawlicki. The more militant course, the voicing of demands, was defended by lesser-known regional activists. When Solidarity threatened the government, and later brought about its downfall, the militant course was supported by chairman Marian Krzaklewski himself.

The Solidarity parliamentary club never voted unanimously, except in the case of the law on decommunization, for which every single Solidarity deputy voted. The club split into two during the vote on the budget. An 11-man team formed within the club in order to examine the budget rejected it outright. This team then dissolved itself when Solidarity, on the National Commission's recommendation, voted no confidence in the government.

There are other internal divisions. Maciej Jankowksi, chief of the Mazowsze branch, has turned his branch into a kind of "state within a state." This description also fits the "Network," the association of Solidarity factory commissions of the largest factories, with its radically populist "300 million zlotys for everyone" program.

With its 1.6 million members, Solidarity is well organized, especially in the field. But it is short of money. It is still struggling to get back its former assets from the

OPZZ. The union maintains itself mainly from membership dues, amounting to 1.5 percent of one's monthly salary.

Solidarity's election campaign is reckoned to cost at least 2 billion zlotys. If its members agree to bury their differences, it stands a chance of exceeding the 5 percent threshold in the forthcoming elections.

The National Commission has not yet reached a formal decision on Solidarity's participation in the elections. The decision will be made at the latest at the Solidarity congress on 25 June. Nevertheless, it does appear that the Union will take part, and that this time the National Commission will insist upon a disciplined and responsible-minded parliamentary club. Therefore it is possible that the union's authorities will run for parliament.

The Democratic Union [UD]: The Power of Charm This Time?

It was formed in December 1990 by groupings that supported Tadeusz Mazowiecki in the presidential elections. It had 62 deputies in the Sejm and 21 senators, and was the largest club until Aleksander Hall's conservative group left.

Dues are paid by 10,000 members and another 5,000 members do not pay them.

"For several days now people have been coming to me, often very young people, and have been offering to help with the campaign," says Ludwika Wujec, a member of the UD presidium. "We are short of money, but we have been able to save something from the deputies (each of them paid 10 percent of their salaries to the club) and membership dues. We will be selling 'coupons.' We are counting on assistance from a certain firm, but party confidentiality does not permit me to name it."

Henryk Wujec, the UD Parliamentary Club secretary, adds that the UD congress fortunately took place recently (in April) and so mobilization of UD circles is underway.

The unquestioned leader of the UD since its formation has been Tadeusz Mazowiecki, who reconciles the right-wing views of Tadeusz Syryjczyk with the left-wing views of Zofia Kuratkowska. There is a third faction in the UD, Radoslaw Gawlik's ecological one, but the party center, which is not linked to factions, predominates.

Prime Minister Hanna Suchocka is emerging as the number two in the party. Apart from the prime minister, the UD has four ministers in the government: Labor Minister Jacek Kuron, Finance Minister Jerzy Osiatynski, Defense Minister Janusz Onyszkiewicz, and Jan Maria Rokita, the head of the Office of the Council of Ministers. The heads of the Ministry of Foreign Affairs and Ministry of Internal Affairs, Krzysztof Skubiszewski and Andrzej Milczanowski, are also considered UD sympathizers.

Although the government is general considered to represent the UD, two UD deputy chairmen, Wladyslaw Frasyniuk and Andrzej Celinski, have fiercely criticized the government, UD ministers, and the alliance with the ZChN. They hold it against Rokita that he failed to bring enough UD members into the state administration. At the congress, Jan Maria Rokita, who is considered one of the brains behind the government, lost in the election of the deputy chairman of the party.

The third deputy chairman, Jacek Kuron, who has for years been one of Poland's most popular politicians, is situated somewhere "in the middle" between Rokita on the one hand and Frasyniuk and Celinski on the other hand.

Somewhat on the sidelines is Bronislaw Geremek, who is known as the "professor," is an excellent speaker and has kept the UD Club on a tight leash.

The UD's critics say that the party does not have a program, because it has people on the right and on the left. "That is our virtue," say UD members. "For the good of the country we are able reach agreement despite the differences in our views." According to Sejm grapevine, the UD is shifting toward the center, because Hall has already left on the one hand, and on the other hand, there are rumors the party's "enfant terrible," Barbara Labuda, who is well known for her campaign against the antiabortion law, is to leave the party.

The UD irritated the rest of the coalition with its didactic tone, when, for example, it reminds its allies in a "paternal manner" of their low turnout in Sejm votes. However, its coalition partners admit that it is right: The UD had the most disciplined club in the Sejm. Deputy Andrzej Pawlowski appeared for the no-confidence vote instead of turning up in hospital for an appendix operation.

The UD does not have a paper of its own, but is very visible in the media. UD views (and leaders) are accepted by many journalists working for the most important newspapers. The UD traditionally wins pre-election polls, but as a rule fares rather worse in elections themselves. Sociologists say that the last strike waves might adversely affect the party's popularity.

What about the UD's successes? According to its leaders, its successes include remaining in a "quite controversial" government and thus guaranteeing stability and reform, especially in forcing through mass privatization (together with the liberals), the Enterprise Pact, and the budget.

Setbacks? It was unable to convince any opposition grouping to support the coalition program and thus save the cabinet, and was unable to obtain decrees for the government.

The UD election campaign will probably be exceptionally "positive" and "fair," with the emphasis being placed on the successes of the past three governments

(except the Jan Olszewski cabinet), in which UD participants participated. "We will promote the Enterprise Pact, reform the insurance system, and reform the administration," says Wujec.

Will the "power of peace" appear on UD election posters once again? "It's more likely to be the power of charm under a photograph of Hanna Suchocka," laughs Wujec.

The Union of Labor [UP]: The Non-Classical and Classless Left

It was formed in 1992 as a result of the merger of Ryszard Bugaj's and Aleksander Malachowski's Labor Solidarity with Zbigniew Bujak's Democratic-Social Movement. It was also joined by a group of activists from the Polish Socialist Party and the Polish Social Democratic Union (formed by Tadeusz Fiszbach after the dissolution of the PZPR) along with the Wieslawa Ziolkowska.

Leader Ryszard Bugaj cringes at the idea of cooperation with the SdRP, but every fourth member of the UP was at one time a member of the PZPR. This issue has become the cause of one of the more serious conflicts in the party: Activists from Poznan and Gdansk opposed admitting former communists to the UP.

The UP remained in opposition to the Suchocka government and was opposed to the budget and mass privatization. Four of its members could be persuaded to abstain from voting on the nonconfidence motion.

"It is difficult to talk about great successes, because there are six deputies in the parliament," laughs Ryszard Bugaj. However, the UD was extensively involved in creating the extensive movement of committees for a referendum on abortion. It was led by Zbigniew Bujak (who at the same time did not vote on the antiabortion law, which prompted a minor political scandal). Ryszard Bugaj is proud of having introduced several changes to taxation legislation (including concessions for single mothers).

What Bugaj considers the greatest setback for his party was the coalition government's rejection of his ideas on amending the budget. Bugaj proposed increasing expenditure by between 20 and 30 billion zlotys (that would have covered increases for the public sector) and a slight increase in the deficit.

He also regrets that the Sejm did not accept their proposals to postpone the vote of no confidence in the government, which might have made it possible to agree on "a nonaggression pact," set a date for elections, and avoid dissolving the Sejm. In the election campaign, they want to place emphasis on economic issues above all. The UP favors placing an equal burden on the state and private sectors, higher taxes on the rich, investment concessions, and protecting domestic industry. He believes that a referendum should be held on the directions of economic policy.

However, Bugaj stresses that the UP will not avoid sensitive political problems. He is in favor of the state being ideologically neutral, permitting abortion, and is opposed to decommunization. The party's deputies voted against the vetting law.

"The UP is not a class-based party," says Ryszard Bugaj. It gets votes from both workers and the intelligentsia. According to him, the UP might also received support from small entrepreneurs, who dream of an antirecessionary economic program. The UP's chances are poorest in typically rural areas, but it wants to field candidates in every district.

It is strongest in Warsaw, Bialystok, and is apparently recently becoming so in Katowice.

"We do not have a penny," says Ryszard Bugaj. It is true that the party's approximately 8,000 members pay their 20,000 zlotys a month quite regularly, but that is not enough to make it easy to maintain the party's structures, which are modest as it is.

However, UP activists believe that they will manage to raise several hundred million zlotys, which should be enough for organizing a suitable election campaign. They are not counting on generous gifts from businessmen, but on support from the party's sympathizers and supporters. They will not take out bank loans. They will not make use of the specialized service of advertising agencies.

The UP hopes that the media will be favorably disposed toward it. It is true that they do not have their own newspaper, but Bugaj, Bujak, Malachowski, and Karol Modzelewski, the honorary chairman, often appear in the columns of the most widely read newspapers.

In the last parliamentary elections, the groupings that currently make up the UP obtained just under 4 percent of the vote altogether.

Although many people maintain that the party might be a dark horse in the elections, Bugaj remains cautious: He would be satisfied with 10 percent. However, that certainly does not have to be the case. According to some observers, UP "a party that is more liked than voted for." The party's leaders tend to use moderate language, they avoid harsh and black-and-white slogans. Bugaj: "Maybe we exaggerated somewhat with our weighing up of the words that we use."

Recently, the UP's leaders have been using somewhat tougher language. For example, talking about the Mass Privatization Program, Bugaj told the Sejm: "the only thing that can be said with certainty is that it will provide a lot of well paid posts."

The Christian-National Union [ZChN]: Sunday, NIEDZIELA, and the Government

The ZChN was formed in the fall of 1989. It had three deputies in the Sejm that was elected on 4 June 1989: Stefan Niesiolowski, Marek Jurek, and Jan Lopuszanski.

In the elections that followed, the ZChN electoral committee, which bore the name Catholic Action Campaign, led 58 deputies and senators (17 of them were not members of the ZChN at the time) into the Sejm.

Officially, there are no factions in the Sejm. However, an internal opposition did appear after the collapse of the Olszewski government. The former minister of internal affairs, Antoni Macierewicz, was excluded from the club and then from the party for the way in which the vetting resolution was implemented.

In the Suchocka government, the ZChN has a deputy prime minister, Henryk Goryszewski, and three ministers: Zdobyslaw Flisowski, the minister of education, Jan Piatkowski, the minister of justice (and before that Zbigniew Dyka), and Jerzy Goral, the culture minister.

Shortly after the government was formed, those who opposed Macierewicz's expulsion, set up Catholic Action within the ZChN parliamentary club, and it criticized the actions of the grouping's leaders and the government alliance with the UD and the liberals. The Catholic Action group dissolved itself after a few months, and two of the deputies joined Macierewicz's Polish Action.

Further opposition to the club's authorities came from the group of deputies led by Jan Lopuszanski. Lopuszanski and several other deputies, including Bogumila Boba and Halina Nowina-Konopczyna, voted against the government privatization program.

A month ago, Jan Lopuszanski announced a plan to to create a new government coalition composed of the ZChN, the PSL, the KPN, as well as the PC and the RdR. However, on the vote of no confidence, Lopuszanski's group, with the exception of Boba, defended the government.

According to the party's leadership, the ZChN has 6,000 members and branches in every voivodship and is strongest in Warsaw, Lodz, Lomza, and Ostroleka.

"Money will be the most serious problem," says Stefan Niesiolowski, "We believe that our sympathizers will want to sponsor the election campaign."

The ZChN does not have its own newspaper, but for the elections, it is counting on the Catholic weekly NIEDZIELA and PRZEWODNIK KATOLICKI. "Publications such as LAD or DZIENNIK KATOLICKI SLOWO sympathize with us to some extent," says Niesiolowski. In the rankings of the most popular politicians, the ZChN leaders are far from the top.

Asked about the main elements of their election campaign, Niesiolowski said they would be: "responsibility for Poland, halting the recession, and protecting the country from atheism." The party's greatest success: "We managed to take on responsibility for the country, instead of making people empty promises." He did not want to talk about blunders.

Does the ZChN still count on the support of the Catholic Church? "It is untrue that our previous election campaign was based on the church. We are only counting on priests and the church hierarchy being favorably disposed toward us," says Niesiolowski.

The ZChN is a colorful party, because each of its leaders has his own style. Politicians from almost all groupings talk about Professor Wieslaw Chrzanowski, who always has a restrained manner, with respect. He has been president of the party since it was formed and was minister of justice in the Bielecki government.

Stefan Niesiolowski is the opposite of the party's president: He is impulsive, has a great sense of humor, is considered an excellent speaker, and a demagogue who has forced more than one opponent into a corner.

After assuming the post of deputy prime minister, Henryk Goryszewski began treating his conversation partners with a condescending smile. Coalition partners say that he has a sharp tongue, but in the quiet of the Office of the Council of Ministers rooms "one can reach agreement with him." It matters a lot to him to have a good media presence, so he organizes "mock news conferences" at which practices repulsing attacks from journalists.

Jan Lopuszanski, who is always calm and polite, does not get excited until he is delivering speeches in the Sejm, but he never shouts. His face, which does not betray emotion, arouses anxiety in some.

It is worth recalling that before the previous elections, the polls were as unkind to the ZChN as they are today, but the party still obtained a considerable number of seats. The very fact that the president has made a Sunday the day of the elections might improve the party's ratings.

Vacaroiu Briefs Parliament on VAT

AU2206101193 Bucharest ROMPRES in English 0759 GMT 22 Jun 93

[Text] Bucharest, ROMPRES 22/6/1993—In the 21 June session of the Chamber of Deputies, Prime Minister Nicolae Vacaroiu made an information after questions previously raised to the government. Most of the address made by the chief of the Romanian executive focused on issues related to the introduction after July 1, 1993 of the value added tax [VAT].

The prime minister appreciated that technical facilities for a general application of this measure would request financial resources of some one billion dollars. Mentioned were among primary effects of the introduction of the value added tax the stimulation of investments and export production growth. Experience of some 25 states, mainly Western European ones, that have already faced a similar fiscal measure had been studied for building up the necessary framework of the introduction of the value added tax in Romania. The value added tax is expected to reach an 18 percent rate, which is close to European averages.

At the same time, Prime Minister Vacaroiu admitted a series of "troubles" that the value added tax would cause to economic agents, especially in the first three or four months after its introduction.

Mr. Vacaroiu also showed that the value added tax would lead to a price rise, but if applied properly the measure would lead to an average 6 percent high.

Premier Vacaroiu also reasserted the fact that his government was firmly assuming responsibilities for the fulfilment of the objectives in the programme of governing. He also reasoned that option by informing deputies on the fact that a 9.6 percent growth of industrial production was recorded during the first five months of the year on course, the month of May being the fifth month during which a steady productivity growth was registered.

President Iliescu Assesses European Tour

AU2106092893 Bucharest Radio Romania Network in Romanian 1900 GMT 20 Jun 93

[Statement by President Iliescu at Otopeni Airport in Bucharest on 20 June—recorded]

[Text] This week has been a tour of force. I would like to point out three major elements of this tour. First,the participation in several very important international meetings: the Vienna Human Rights Conference, the Geneva Disarmament Conference, and the congress of the International Labor Organization. My addresses at all these three conferences—which have major political significance for the development of international life—have already been reported.

Second, I would like to emphasize the bilateral element, namely the meetings I had in Vienna with Austria's president Mr. Klestil, with Austria's Chancellor Vranitzky and Foreign Minister Mock. In Switzerland, during my visits to Geneva, Zurich, and Crans Montana, I held meetings with various political figures, and this morning I met with the president of the Federal Council, Switzerland's president, and with members of the Federal Council. During these meetings I had the opportunity to discuss issues of joint political interest and to perceive the interest of a large circle of businessman and banking officials in the development of bilateral relations, both on a political and economic level.

The third element of this tour was our presence at the International Economic Forum in Crans Montana, a meeting that has become a tradition—since this was the fourth time it has been heldd—with a massive participation of politicians, heads of state, heads of government, ministers, and representatives of business and banking circles in Switzerland and other European countries.

A remarkable representation of certain areas outside Europe, from the Arab world, Asian countries, and the former Soviet Union could also be noticed at the meeting. The general way in which this forum was organized—which included numerous meetings, plenary sessions, sessions on various topics, and sessions devoted to certain issues or certain countries—occasioned numerous meetings and addresses, participation in talks, and exchanges of opinion on major issues.

First, these talks focused on the development of political and economic processes in European, primarily in the Central and East European countries, on problems regarding the development of relations between the countries of Western, Central, and Eastern Europe, and on issues of security and political stability on the continent.

I believe that, as an outstanding element of the meetings in Crans Montana, we can also note an increasing interest in the processes in our country. This became evident mainly in the meeting devoted to Romania that was held in the big hall of Crans Montana. We could see there was a large number of people present in the hall and we noticed great interest from the way in which our speeches were followed, questions asked, and discussions held with our representatives and members of our delegation. I believe that from this point of view Romania was a point of interest. The meetings we held and our dialogue with other officials represent a synthesis of certain multiple contacts and prove the merits of such multilateral meetings.

In a short time we made numerous contacts that otherwise would have taken a long time to achieve. From this point of view, we were able to note with satisfaction the more favorable way in which our efforts and the results that Romania has achieved in the past three and half years since the revolution, through the consolidation of political, social, and economic stability, were regarded.

We also noted the interest in the major processes in our country, on the one hand the processes aimed at consolidating the rule of law in Romania and, on the other, the processes associated with the economic reform and transition to the market economy. We described these processes with complete realism and complete openness, we explained the bright and dark sides of these processes, and the difficulties we are facing, but also the clear prospects we have in our entire economic policy.

I believe we can consider this meeting, our talks, and the positive and constructive way in which our efforts were regarded as a success for Romania and for the process of changing Romania's image in the world positively.

During the meetings, contacts, and talks we had we broached the subject of developing these relations at a state level, at summit level, at government level. We discussed the development of relations between the institutions interested in promoting economic contacts and relations with a very large number of representatives of the business, banking, and industrial circles. I believe that we are going to witness a more dynamic and more active presence in our country of these circles, which want to establish contacts with us. Currently, it is important that various economic bodies, the representatives of economic and commercial companies, and other units should show efficiency and receptiveness, and we should eliminate bureaucratic barriers from the path of these contacts and make use of this capital of interest in Romania.

Thai Foreign Minister Arrives on Official Visit

AU2106104693 Bucharest ROMPRES in English 0740 GMT 21 Jun 93

[Text] Bucharest, ROMPRES, 21/6/1993—"Romania is a friend of Thailand and I think it will be our gate to the other countries of Europe", said Prasong Sunsiri, minister of external affairs of the Kingdom of Thailand, Sunday, June 20, at his arrival on the Otopeni Airport. The head of the Thai diplomacy is making an official visit in Romania over June 20-22, at the invitation of Teodor Melescanu, minister of state, minister of foreign affairs.

Mr. Prasong mentioned that "it is time for Romania and Thailand to have still closer ties than before, to strengthen their cultural, business, scientific links, to intensify the visit exchange."

The Thai dignitary will have talks with his Romanian counterpart, will be received by President Ion Iliescu, Premier Nicolae Vacaroiu and the speaker of the chamber of deputies, Adrian Nastase.

Australian Foreign Minister Meets With Melescanu

AU2106175393 Bucharest ROMPRES in English 1419 GMT 21 Jun 93

[Text] Bucharest ROMPRES, 21/6/1993—Romania is traditionally the most important Central European partner of Australia, said Australian Foreign Minister Gareth Evans during the talks he had on Monday [21 June] morning with his Romanian counterpart Teodor Melescanu.

The Romanian Foreign Ministry spokeswoman said the talks had taken place "in an atmosphere of utmost opening and pragmatism." This was the first visit made by an Australian foreign minister in Romania and also the first visit of an Australian minister after December 1989.

The two countries' chief diplomats examined specific projects of economic cooperation such as infrastructure, raw materials, mining and processing industry, and food industry. In point of the bilateral relations' agenda, they discussed the possibility of a political dialogue at the highest level, as well as the diplomatic, consular, and commercial representation. Evans said that Australia planned to open a consular office in Romania.

The two ministers approached issues regarding the cooperation between the two countries within the international bodies. The Australian dignitary depicted the situation of the Asian-Pacific zone, the institutional framework of the political and security cooperation between the ASEAN member states, as well as Australia's role in the region, and the economic cooperation prospects in south- east Asia.

In turn, Romanian Foreign Minister Melescanu presented the political and economic evolutions in Central Europe, Romania's relations with the EEC and with the Republic of Moldova, as well as the situation in former Yugoslavia area.

The Romanian and Australian Foreign Ministers Teodor Melescanu and Gareth Evans signed in Bucharest, on June 21, the agreement between the Governments of Romania and Australia on promotion and mutual protection of investments. This is the first such document signed between the two countries. After the signing of the agreement, Australian Foreign Minister Gareth Evans told the press that it was an important agreement as a practical means in the first place as it was very encouraging for the Australian business society to make investments in Romania and as significance, in the second place, as it proved the determination to work together and to build new, more efficient relations. The Australian foreign minister stated he felt great confidence in Romania in point of the changes that occurred here and he underlined the enormous potential resources including the human potential of Romania.

In turn, Romanian Foreign Minister Teodor Melescanu said that it was very important to develop the political

dialogue between the two countries and he expressed the wish to develop the mutual relations on steady basis and the confidence that this agreement would contribute to the establishment of the legal framework to encourage the development of the relations between the two countries, especially Australian investments in Romania.

Discusses Cooperation With Teculescu

AU2206065193 Bucharest ROMPRES in English 1639 GMT 21 Jun 93

[Text] Bucharest ROMPRES, 21/6/1993—Romanian Trade Minister Constantin Teculescu and Australian Foreign Minister Gareth Evans, now visiting in Bucharest, discussed on June 21 possibilities to develop Romanian-Australian economic relations.

The two ministers singled out new cooperation actions in such domains as food industry, animal breeding, commerce, and services.

The Australian party is interested especially in the equipment and joint operation of the bulk goods terminal in Constanta Port, envisaging the setting up of a Romanian-Australian venture in this domain.

Other projects of mutual interest include a joint venture to retool the Tulcea alumina factory, the Australian party taking great interest in bauxite export, as well as Australia's participation in the mining and oil field leases Romania grants through international auctions.

The Romanian party is interested to import coal and iron ore from Australia, possibly by barter.

Spiroiu Views Conversion of Weapons Industry

AU2106194193 Bucharest ROMANIA LIBERA in Romanian 17 Jun 93 p 11

[Report on "Interview With Defense Minister Lieutenant-General Niculae Spiroiu on the Conversion of the Weapons Industry and Not Only It" by Bogdan Ficeac; place and date not given: "The Long Road From the Gun to the Plow"]

[Text] When I entered his office, Minister Niculae Spiroiu had a xeroxed copy of my article in front of him. Although friendly, he could not hide a certain irritation. This was the reason why he welcomed me with a "biting remark."

[Spiroiu] Take a seat, for a long time I have been waiting for an opportunity to discuss the conversion with a specialist.

[Ficeac] Thank you, Mr. Minister, but I am not a specialist; I just want to discuss the subject and, as far as I understand, you have reserved some time so as to provide me with the things I am interested in.

[Spiroiu] Yes, as far as we are concerned, we began the conversion process a long time ago. I suppose you know: the factory for tanks is now repairing subway trains and is manufacturing gas stoves, while the factory for armored transport vehicles is manufacturing trucks or jeep-type cars. Regarding this subject you should also speak to the State Office for Special Problems and to the Special General Directorate within the Ministry of Industries. You should not pass judgment on Colonel Badea who is buried in work...

[Ficeac] Yes, Mr. Minister, I telephoned for a whole year, I left my own telephone number, he could have answered...

[Spiroiu] Anyhow, this is not because of "secretiveness." Probably, the man had to solve so many problems; then there is also a certain reticence when you have to speak to people who are not specialists in the field for fear that one may be misinterpreted. I want to repeat, there is no "secretiveness." In our country you are also permitted to take pictures, not only in the United states; one can see what is being manufactured at the section for armored transport vehicles in Brasov, Moreni, and Plopeni where hydraulic elements are being manufactured... In our country the activity in special industrial branches is carried out by numerous people in such a way as to be able to switch over to civilian production. It is known that the factory for weapons and munitions also manufacture refrigerators, washers, and sewing machines, while the carpentry sections that used to produce boxes for munitions now manufacture furniture and household items. The conversion process is progressing, but it is very costly...

[Ficeac] This is why I am interested in an overall outline. As I understand, military orders have decreased drastically and numerous enterprises have encountered prospects of going bankrupt...

[Spiroiu] We made some calculations and studies, even for each production unit separately and even regarding the work program of each individual. This is a very important problem and in the past two-three years both industrial specialists and military analysts in charge of equipment questions have been dealing with it. Their conclusions were presented to the Supreme Council for the Country's Defense and the government and—on the basis of these conclusions—tangible measures and the costs involved were established for each unit. All in all, the latter, however, were exceptionally steep. Within the framework of a phased-out program of four to five years, costs will exceed 30 billion lei a year. This was calculated in 1992. Thus, taking into consideration the rate of inflation, this sum would be some 50 billion lei. Given the fact that this year only 287 billion [lei] were allocated for national defense, the amount of money needed for the conversion is enormous and I do not see how we could ensure it. Despite all this, great efforts have been made and continue to be made by economic units to seek solutions. I have quoted enough examples before.

[Ficeac] Although the factory for tanks, for example, is also manufacturing casks, do you not think that there is a danger of physical and moral wear and tear of certain/

technological lines that could be used much more effectively than within the framework of such solutions to survive?

[Spiroiu] The manufacture of casks is a new thing that was introduced recently.

[Ficeac] Well, I was speaking of existing lines which may be used below their potential.

[Spiroiu] Those are being preserved...

[Ficeac] What about the labor force? (Minister Spiroiu looks at me with a very serious look. Then he takes the copy of my article from his desk.)

[Spiroiu] You have to know that we will turn all those people who are discharged in the defense industry—some 60,000 people—into journalists.

[Ficeac] 60,000 journalists?

[Spiroiu] Yes, all of them.

[Ficeac] This means that the Ministry of Defense will have a great number of publications. How long will it take before these people are available?

[Spiroiu] This is a matter of the future. Meantime, some people will retire, others will have time to change their profession. In fact, out of the 60,000 only 23,000 are working only for defense. (Minister Spiroiu again looks at the xeroxed copy). I would suggest that—should you write about the Army again—you do it with great care. The Church, schools, and the Army are values which, through their educational role, constitute a motivation of man's existence. And if they make a certain social segment preserve moral purity and a certain sense of duty, I think that this constitutes an asset. What I disliked in your article are the words "secretiveness" and "barrack-like"...

[Ficeac] I am sorry, Mr. Minister, but I hope you also understand my dissatisfaction. You, who in some way are responsible for the destiny of 180,000 people, did find time for me, while Colonel Badea did not even say to me "I have no time, talk to my counselor," or "go to"...

[Spiroiu] I have not talked to him, but I think he was very busy. Then there are such things like the "Romtehnica fraud" or the "Cigarettes case." You have to know that there is no such thing. Among all foreign trade enterprises, Romtehnica is the cleanest and most honest one. What frauds do you know of?

[Ficeac] I, personally, do not know any details, but I read your latest interview, which was published in the press, and when "Romtehnica" or the "Cigarettes case" was at stake, you said that General Florica [former Financial Oversight Body chief] assured you that it is "absolutely nothing" compared with the dubious deals in our country. This I did not understand: Is there a threshold up to which such deals are permitted?

[Spiroiu] No. It has to be explained clearly: "Romtehnica" is not guilty. There is only one storage in Plevnei street and even that is a transit storage; there are seven small rooms of 14 square meters each, which are legally rented to the brother of a client. We could not have known that that individual is not an honest man...

[Ficeac] What about Clinceni?

[Spiroiu] In Clinceni, we are talking of a barrack outside the institute, in the administrative compound, near the pig farm! In Plevnei street, the individual in question had begun to deposit his cigarettes on the corridor and, in order that they may not be stolen, we let him the barrack in Clinceni. Also in an honest and correct way. The way Magureanu [chief of the Romanian Intelligence Service] has rented the house in Londrei street. "Romtehnica" is clean. A storage chief had no way to know that the rubber stamps of that individual were false, given the fact that his commodities had already gone through customs and that the police took two weeks to find out that the rubber stamps were false. As far as we are concerned, we took immediate action and drastic measures. We blocked everything. General Florica carried out numerous checks and told me: "Mr. Minister, do not worry, if as many investigations were made in other parts as here, it would be extraordinary; real swindles take place somewhere else." That's it. All streets behind the Exhibition Hall up to Chibrit Square are full of storages, including people's back yards. And the Financial Oversight Body cannot enter because it does not possess the necessary mandate. I do not like such a "swindle." In a very honest way, "Romtehnica" let the storages to a client, but, unfortunately, that client is not an honest man. There was no possibility to know this in advance...

[Ficeac] If we want to clarify certain things... There was talk in the press about deals with computers procured for the Army through companies belonging to certain officers. It was said, at that time, that those computers were neither of good quality nor expensive...

[Spiroiu] First you have to know that there are auctions for everything we buy; as for the computers you have mentioned, they were useful for the Army. Especially in 1990 when we did not have any. The fact that two years later there were people who said that there could have been less expensive offers, which we then did not have, this is another matter. I suppose you know: the price of computers has decreased since then. As far as the companies are concerned, at a given point we noted that two or three officers, who are working in the equipment department, also became shareholders in some trade companies. In actual fact, not they, but their wives or relatives... And we are not talking of very high sums of money either...

[Ficeac] Mr. Minister, you know how things start off...

[Spiroiu] I have told you, we made investigations and noted that the offers made at that time at those auctions

were the least expensive ones. (Minister Spiroiu interrupts to get a cigarette, and I offered him an Assos cigarette. He looks at me with reticence.) Greek? No. I only smoke those, how did you call them? That "cigarette case," Kent. (An open Kent packet of cigarettes is brought to him. He offers me a cigarette.

[Ficeac] (I take it and look at him, whispering:) Are these from those?...

[Spiroui] No. These are from Italy; I bought them in Italy.

[Ficeac] Mr. Minister, since I have the opportunity...

[Spiroiu] A rare opportunity.

[Ficeac] Precisely. And I want to express my thanks. Thus, since I have the opportunity to discuss things with you, I would like to ask you to let me know how you view Romania's position, and especially that of the Army, within the context of the conflict zone in our neighborhood?

[Spiroiu] The role of the Army is that stipulated in the Constitution. Certainly, in order to establish the Army's doctrines, training, and equipment, we examine the sources of insecurity, participate in the collective security system in Europe, and participate in the actions taken under the aegis of the UN. Now we have a hospital in Somalia and we will also train special peacekeeping troops, the so-called "blue berets"...

[Ficeac] According to the analysis of the sources of insecurity, will there be any major danger in the not too distant future?

[Spiroiu] The situation is developing. A year ago, for instance, the danger came from the Dnicster region, now it comes from another part.

[Ficeac] Excuse me, what do you mean by another part?

[Spiroiu] This is too complicated a matter to be discussed in an interview on the conversion. There could be misunderstandings and who knows what might come of it. By the way, what is your specialty?

[Ficeac] I am a physicist. And by accident I worked for about two years at the "ciclop" telemeter for tanks. The laser part.

[Spiroiu] Well, you see, we were talking about the conversion; you have converted. Here is a title for an article: "How I Converted." Why don't you write it?

[Ficeac] Mr. Minister, I converted more than four years ago. I expected difficult times for the weapons industry... May I ask another question?

[Spiroiu] Go ahead.

[Ficeac] Mr. Minister, is there any danger coming from Hungary?

[Spiroiu] There is! I have a Hungarian neighbor who has a fierce dog. It has broken the fence and is biting by grandson who is only five years old...

[Ficeac] Some papers are disseminating the idea that they want to take Transylvania from us. What is your opinion?

[Spiroiu] Is Transylvania a piece of cheese that may be taken by anyone just like that?

[Ficeac] I understand and I think you know what I have asked—not because I am scared and want to flee...

[Spiroiu] Don't worry, if something happens, you will not flee anywhere. We will nicely dress you up in camouflage uniform, we will give you a submachine gun to be able to fight with them. And just a very small newspaper will remain, something like A4 size...

[Ficeac] "Duty is calling?"

[Spiroiu] "Duty is calling!"

[Ficeac] What about the other journalists, do all have to go to the front?

[Spiroiu] Yes, all to the front. For the time being, however, the danger is what certain people are writing about you. Otherwise there is no danger.

[Ficeac] Not even from the direction of Yugoslavia, in case the conflict there intensifies?

[Spiroiu] This I do not know. This is part of the other answer which we were discussing before.

[Ficeac] Thank you, Mr. Minister.

Minister Lists Laws Adopted in Parliament

AU2106104593 Bucharest ROMPRES in English 0912 GMT 21 Jun 93

[Text] Bucharest, ROMPRES, 21/6/1993—A press statement made by Valer Doreanu, minister for relations with parliament, shows that since its installation and until present Romania's Government has submitted some 95 draft laws to parliamentary debates out of which 77 are bringing essential regulations meant to ensure legislative protection to the strategy of economic and social reform (20 drafts on various aspects of the economic reform, 10 drafts on social protection, six drafts on reform in the system of national defense). Some major drafts are regulating the reform in the system of justice, public order, environment protection, health care, education, etc. 18 drafts are ratification of various international agreements.

Valer Doreanu also mentioned some fields in which drafts are expected for a longer time to be debated and approved by parliament: on the contract of management, the organization of agricultural credit, on bankruptcy, sponsorship, real estate, and stock exchange, on the

quality of construction, on the establishing and operation of a special fund for research and development, on the administration and operation of monopolies, on leasing, etc.

In the opinion of Mr. Doreanu, the parliament's working agenda is extremely busy and that several incidents in parliament are not a consequence of the spare time: heated political debates, the choleric character of several individuals and, not the least, the lack of parliamentary exercise in a country which in a period of 50 years have had no democratic parliamentary debates.

Once can notice by a more objective analysis that the legislative has made considerable efforts. So, during the same period, both chambers of parliament have adopted some 59 laws, 29 joint decisions, 35 internal decisions (the Senate) and 68 internal decisions (the Chamber of Deputies).

As for the legal system, it is true that out of 59 laws, 29 are ratifications of several international understandings and conventions, while others are regulating non-relevant aspects, but some laws of major interest were also adopted: the laws on the state budget and the budget for social insurance, the package of laws meant ensure the application starting first of July of the value added tax, a law comprising measures to lower the effects of financial blockage in the economy, the laws regarding patents and innovations and the protection of industrial plans and models, and the package of laws to ensure the application starting the first of July 1993 of the reform of justice, presently in its final stage in the Chamber of Deputies.

Mr. Doreanu said that the government have expected the adoption of a larger number of laws to score a progress in fulfilling its programme but also added that parliamentary procedures are having their rules and rates and that other activities are also performed in parliament, such as political debates, inquiries, hearings and others.

PSM Withdraws Support Granted to Government

AU2106175593 Bucharest ROMPRES in English 1542 GMT 21 Jun 93

[Text] Bucharest ROMPRES, 21/6/1993—At the weekly news conference on Monday [21 June], Chamber of Deputies member Tudor Mohora, deputy president of the Socialist Party of Labor [PSM], drew attention to the explosion of the prices after May 1. He opined that the elimination of the subsidies did not justify the escalation of the prices and that the government lost control over the economy. In the context, the deputy expressed his worry with respect to the July 1 moment, when the value-added tax would be introduced. He considered that this would lead to a new rise of prices whose consequences would be born by the underprivileged, the pensioners in the first place.

PSM President Ilie Verdet told the news conference on June 21 that his party would no longer back the current government, as the latter failed to comply with the terms PSM had put to it, namely to halt the degradation of the people's living standard and come up with measures to protect industry in view of revigorating the national economy.

PSM will participate in a possible political alliance only "based on principled positions," as it is not interested in ministerial portfolios.

PSM has representatives in the two chambers of Romania's Parliament [five out of 143 senators and 13 out of 328 deputies].

Article Comments on Efforts To Curb Inflation

AU1806122993 Bucharest ROMPRES in English 0804 GMT 18 Jun 93

[Text] Bucharest, ROMPRES, 18/6/1993—Foreign financing amounting to some three billion dollars for 1993 and 1994 alongside with measures of economic restructuring would lead to a control over inflation in Romania and to a stop to the devaluation of the national currency, according to an article in the newspaper CRONICA ROMANA.

"Latest statistics show that the deficit of the 1991 and 1992 balance of payments was of 1.5 billion dollars for each year in part. Obviously, this fact is growing concern. As a consequence, top priority is given to its reduction," runs the article.

"It seems that the best solution would be the supply in 1993 and 1994 of some three billion dollars in foreign finance which would allow the creation of hard currency reserves between 500 and 800 million dollars and a balance of payments deficit of some 5 to 6 per cent of the gross national product," according to the study. "In this way, a balance would be reached of the national currency rate, the leu. However, certain mechanisms would have to be put in place such as exports support, imports limitation, together with a proper policy of the whole Romanian economy balancing..."

"The maintenance of structural disbalances and a delay in adjustments at the level of domestic consumption resources, have led the inflation and the national currency devaluation to reason in a circle," runs the article in the newspaper CRONICA ROMANA.

Foreign Media Bulletin: Balkan Crisis 22 June

WA2206163593

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Bosnian Presidency delegation attending Geneva peace talks without President Izetbegovic; confusion over whether Izetbegovic has been replaced ... Bosnian Serbs, Croats agree on Bosnian confederation, exchange of prisoners ... Croatian Foreign Ministry objects to Secretary of State Christopher's alleged questioning of timing of recognition ... Serbian opposition leader Draskovic's health reportedly improving ... Bosnian Serbs deny blocking UN aid convoy en route to Gorazde, blame Muslims for shooting UN observer.

POLITICAL

DELEGATION HEADS FOR TALKS WITHOUT IZETBEGOVIC (Sarajevo Radio, Zagreb Radio, TANJUG, AFP): Bosnian Presidency votes to attend Geneva peace conference despite President Izetbegovic's rejection of the talks. Prior to a Bosnian Presidency meeting during which Izetbegovic was reportedly strongly criticized, Presidency member Abdic told reporters that Izetbegovic had "failed to consult with" the Presidency before rejecting a peace plan proposed last week in Geneva and did "not have the right" to unilaterally decide to boycott the talks. Abdic denied taking over the Presidency but said that Izetbegovic had been replaced by Franjo Boras, a Croatian member of the Bosnian Presidency. Boras, however, played down suggestions that he had replaced Izetbegovic, saying that he will "only be presiding" over the Bosnian delegation in Geneva "for today and tomorrow" and that Izetbegovic is "still the de facto president." (AU2206104593, LD2206113793, LD2206144093, AU2206141193, AU2206075793)

SERBS, CROATS AGREE ON CONFEDERATION (TANJUG, Belgrade Radio): Bosnian Serb leader Karadzic announces he has reached agreement with Bosnian Croat leader Boban to set up a confederation of three states in Bosnia and to exchange all prisoners of war. Karadzic says the two sides "envisage" the Muslims getting a "big and significant territory" encompassing 30 communes in central Bosnia. (AU2106205693, LD2106214793)

CROATIA OBJECTS TO ALLEGED CHRISTOPHER COMMENT (Zagreb Radio): Croatian Foreign Ministry expresses "regret and consternation" over Secretary of State Christopher's alleged suggestion that the West's recognition of Croatian independence in 1992 may have been hasty. Ministry accuses Christopher of "directly encouraging" assertion that Croatia "caused the outbreak of war" in Yugoslavia. (LD2106231393)

DRASKOVIC'S HEALTH REPORTEDLY IMPROVING (TANJUG): "Specialists" at the Clinical Center of Serbia say Serbian opposition leader Draskovic's health has "improved" and that his wife will be "examined and treated" at the Institute for Neurosurgery. (LD2106190893)

HUMANITARIAN AID

SERBS DENY BLOCKING UN AID CONVOY (TANJUG): Bosnian Serb forces deny blocking UNHCR aid convoy headed for Gorazde. Bosnian Serb commander Mladic also contended that Muslim forces wounded a UN observer headed for Gorazde in order to blame the incident on Serbs. (LD2206105893, LD2106200993)

Presidency Members To Attend Geneva Talks

LD2206123093 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 22 Jun 93

[Text] The meeting of the Bosnia-Herzegovina Presidency in Zagreb ended at about noon. Presidency members Alija Izetbegovic, Fikret Abdic, Ejup Ganic, Franjo Boras, Miro Lasic and Tatjana Ljuic-Mijatovic, Premier Mile Akmadzic, Assembly Speaker Miro Lazovic and Foreign Minister Haris Silajdzic took part in the meeting.

Abdic was the only Presidency member who spoke to the press briefly after the meeting. He said they agreed that the Presidency members, except Alija Izetbegovic and Ejup Ganic, would go to Geneva to take part in the next scheduled round of talks on the territorial and constitutional organization of Bosnia-Herzegovina.

The other participants in the meeting did not want to comment on its proceedings and conclusions. A statement on this issue will be released shortly.

'Confusion' Over Izetbegovic

LD2206113793 Belgrade TANJUG in English 1035 GMT 22 Jun 93

["Pool" item]

[Text] Geneva, June 22 (TANJUG)—On the eve of the second round of negotiations between Serb, Croat and Moslem top officials scheduled for Wednesday in Geneva, Bosnian Moslem leader, Alija Izetbegovic's statement that he would not attend the summit brought confusion in Geneva's Palais des Nations.

Bosnia-Herzegovina's Presidency, which does not include legitimate representatives of Bosnian Serbs, met in Zagreb, and Alija Izetbegovic told the press on Tuesday morning that he would not attend the talks on the former Yugoslav republic of Bosnia-Herzegovina in Geneva but leave for Sarajevo instead.

It is not clear whether Izetbegovic would go to Sarajevo to consult with parliament about the new plan on dividing Bosnia-Herzegovina into three national communities (Moslem, Serb and Croat) and whether he would later leave for Geneva, say news agencies.

Some members of Bosnia-Herzegovina's rump presidency said they would resume the session in Zagreb on Tuesday and then leave for Geneva.

Members of the rump Bosnia-Herzegovina Presidency voted seven to one for the continuation of Geneva talks, report news agencies quoting reliable sources. Vice-President of the presidency Ejup Ganic, a Moslem, voted against, say news agencies.

The secretariat of the international Conference on Former Yugosalovia appears not to be much concerned about Izetbegovic's statement.

The co-chairmen of the Conference on Former Yugoslavia, Lord Owen and Thorvald Stoltenberg, consider as valid the decision by the Moslem-Croat Bosnian presidency and maintain that Izetbegovic cannot take decisions on behalf of the presidency since his mandate has expired and it is logical that they should consult the presidency, circles close to the co-chairmen say.

A close assosiate of Lord Owen in the Palais des Nations described Izetbegovic's behaviour as a desperate move to undermine the negotiations, according to an old scenario, and to achieve the impossible at the last moment when Moslems are no longer in the position to set conditions.

The same source openly claims that Izetbegovic is no longer able to maneuver or set conditions also because military intervention and the lifting of the arms embargo for Bosnian Moslems have been definitely rejected as a mechanism for ending the Bosnian crisis.

As announced, the co-chairmen will on Wednesday morning meet with members of the Bosnian Moslem-Croat presidency and in the evening with Serbian President Slobodan Milosevic, Croatian President Franjo Tudjman, Montenegrin President Momir Bulatovic and Izetbegovic, if he comes to Geneva.

Izetbegovic 'Replaced'

LD2206115593 Paris France-2 Television Network in French 1100 GMT 22 Jun 93

[Text] We have just learned that [Bosnian President] Alija Izetbegovic has been replaced; the news has just come in.

[Reporter] He has been replaced by a Croat, Mr. Franjo Boras, who will lead the peace talks on Bosnia. This decision was made only minutes ago by almost all the members of the joint Presidency, which is currently meeting in Zagreb.

'Very Tense' Atmosphere Within Presidency

AU2206075793 Paris AFP in English 0209 GMT 22 Jun 93

[By Michael Adler]

[Text] Zagreb, June 22 (AFP)—Bosnian President Alija Izetbegovic reaffirmed with a sharp "no" on Tuesday his refusal to go to Geneva to discuss ethnic partition of his country but apparently lost the support of his collective presidency.

Asked after a three-hour meeting in the Croatian capital with eight other members of the presidency of Moslems, Croats and Serbs if he would go to Geneva for a new summit, he said quickly: "No."

"I'm going to Sarajevo for further consultations," the tense-looking Moslem leader added.

An advisor to Izetbegovic's challenger for power, Fikret Abdic, said other members present of the 10-strong collective presidency had voted 7-1 to go to Geneva to discuss a partition plan for Bosnia-Herzegovina he had already rejected. "The atmosphere was very tense and Izetbegovic was furious about the vote," said the advisor, who asked not to be named.

Izetbegovic came here from Copenhagen where he failed Monday to convince E.C. foreign ministers to lift the arms embargo on Bosnia-Herzegovina for the benefit of beleaguered Moslems.

At 10:30 p.m. (2030 GMT), he joined a crisis meeting of the presidency at the Bosnian embassy here in the chic Pantovcak neighborhood that had begun at 6:00 p.m. He stayed for three hours.

Abdic, a Moslem in charge of the northwestern Bihac pocket of Bosnia but with close ties to the Croatian third of the presidency, left the meeting telling reporters that talks here would resume at 10:00 a.m. (0800 GMT) "and then we are going to Geneva tomorrow."

Prime Minister Mile Akmadzic confirmed the statement.

Izetbegovic has refused to go to Geneva for talks Wednesday with international negotiators Lord Owen and Thorvald Stoltenberg, as well as Bosnian Serb and Croat leaders.

With Izetbegovic present, the collective presidency lacked only its 10th member, Bosnian army chief Rasim Delic, who is in Sarajevo.

Abdic said Izetbegovic had failed to consult with the collective body in rejecting the latest peace plan proposed in Geneva and agreed to by Bosnian Serb and Croatian forces fighting the Bosnian government. "The president of the presidency does not have the right to decide against going to Geneva. The decision can only be taken by the presidency," Abdic told reporters Monday before the Zagreb meeting.

Vice-President Ejup Ganic said he backed Izetbegovic's rejection of the plan. "Do you expect me to declare my own death," he said in claiming the plan would mean the end of Bosnia as an independent state. But after the five-and-a-half hours of meeting in Zagreb his only comment to reporters was a cryptic: "We had fun."

E.C. negotiator Lord Owen had asked the seven main members of the 10-member wartime Bosnian presidency to come to Geneva last week.

The meeting there was their first since Bosnia became independent in April 1992, plunging the former Yugoslav republic into war as Serb nationalists began seizing land for their own state.

Izetbegovic, 67, has been president of Bosnia since its independence. He remained in power in December, when he should have stepped down to let a Croat head the state. The reason given for his staying as president was that change was not possible while Bosnia was at war.

The Bosnian presidency has in peace seven members, two Croats, two Moslems, two Serbs and one independent. It is expanded in war-time to include the prime minister, the army chief and the parliamentary speaker.

In Copenhagen, diplomats said the E.C. summit was set to back the territorial integrity of the republic, but appeared to be leaning towards a confederation of cantons on ethnic lines.

Abdic Criticizes Izetbegovic

LD2106211193 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 21 Jun 93

[Text] Fikret Abdic, member of the Presidency of Bosnia-Herzegovina, has described as irresponsible Alija Izetbegovic's statement that the latter would not attend the planned Geneva conference. In an interview to Croatian television prior to the Bosnia-Herzegovina Presidency's consultative meeting in Zagreb this afternoon, Abdic emphasized that the competences of the Presidency president had been blown out of all proportion.

According to Abdic, members of the Presidency will discuss the military, economic, and political situation in Bosnia-Herzegovina. We will reach an agreement on the Presidency's stands in Geneva and what to do next, said Fikret Abdic, and again denied that he wished to replace Alija Izetbegovic as president.

Serbs, Croats Agree on Proposal for Confederal Bosnia

LD2106214793 Belgrade TANJUG in English 2128 GMT 21 Jun 93

["Pool" item]

[Text] Belgrade, June 21 (TANJUG)—The Serb and Croat side in the former Bosnia-Herzegovina have agreed to propose to the Moslem side and the international mediators that Bosnia-Herzegovina be transformed into a confederation, president of the Bosnian Serb parliament Momcilo Krajisnik said on Monday.

Krajisnik said in a statement to Radio "S" in Pale that this was agreed between Bosnian Serb and Croat leaders Radovan Karadzic and Mate Boban during a closed-door meeting near the Montenegrin Adriatic resort Herzeg Novi on Sunday.

The Bosnian Serb News Agency SRNA quoted Krajisnik as saying he hoped that this successful meeting would be the starting point for reaching a lasting peace in Bosnia.

He said the two sides also agreed that all POWs be exchanged on Wednesday, and that civilians who want to cross from one side to the other be allowed to do so.

Krajisnik said the Serb side "is not making any alliance with the Croats, because it is clear that an alliance between two nations against the third could bring no good."

Izetbegovic Appeals to Croats to Halt Exodus

LD2106220093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 21 Jun 93

[Text] In response to an organized Croat exodus from some areas in the Lasva river valley, Bosnia-Herzegovina Presidency President Alija Izetbegovic has issued the following appeal to Bosnia-Herzegovina citizens:

At this crucial moment in our struggle for survival and freedom, we have been receiving disturbing reports about an organized exodus of Croat families from some areas in Bosnia-Herzegovina. These reports are deeply disturbing to us, as human beings and as citizens. The reports show that warmongers and plotters have unfortunately succeeded in sowing distrust and uncertainty. These people have been working on this for a long time at the expense of the Muslim and Croat people and at the expense of Bosnia-Herzegovina and Croatia.

Bosnia-Herzegovina is a common homeland for both Muslims and Croats. We lived together for centuries, respecting each other without getting in each other's way. Why cannot we go on respecting each other and why should we be in each other's way? The only obstacles are malicious and misled people, and that is why I call on Croats to stay in their homes. I call on those who left their homes to return, and I call on the authorities to be efficient in protecting every individual and guaranteeing human, civil, and national rights to everybody, particularly to those who feel endangered.

I call on commanders of the Bosnia-Herzegovina Army to prevent all violence and to ensure the legitimate conduct of army personnel. I call on the civilian authorities to investigate every single case of law violation and to apply the full weight of law against the culprits.

Karadzic Views Talks With Boban on B-H Division

AU2106205693 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 21 Jun 93

["Excerpt" from an interview with Dr. Radovan Karadzic, president of the Serb republic, for Belgrade Radio; place and date not given—recorded]

[Text] Those were seven hours of talks [with Mate Boban, president of Herceg-Bosna, in Njivice on 20 June] about numerous aspects of the Serbo-Croatian conflict and overcoming this conflict in Bosnia-Herzegovina. Namely, the front between the Serbs and the Croats has been peaceful for over three months. It had been peaceful even before the signing of the cease-fire, and after the signing of the cease-fire the situation became even better and the cease-fire is being observed.

[Word indistinct] that the Croats in the meantime got into great trouble in the clashes with the Muslims. At this moment the Serbian Army and the Serbian nation play a role of a substitute UN Protection Force, by allowing the civilians and the army of the Croatian Herceg-Bosna onto their territory, helping them and allowing them to either return if they want to, or to proceed further. At the same time, there are numerous civilians who are being detained by the Muslims, for example, the village of Rastani near Tomislavgrad, were the entire village has been transformed into a sort of a camp with restricted movement. We demanded resolutely that this be immediately disbanded and that the Serbs be allowed to leave with their portable goods. We might not be able to rescue the Serbs from under Muslim control, but we should be able to rescue the Serbs from the Croatian territories, because we have done so many favors to the Croatian nation that there is no purpose in their military formations controlling the Serbs and restricting their free movement.

Then we discussed the relations of the three countries in the future confederation of Bosnia-Herzegovina. I can say that almost full accord was reached as to what will this [word indistinct] confederation comprise, that is, that these will be three future countries. We drafted a document that we will probably sign as the Serbian-Croatian proposal in Geneva, which contains the basic provisions about Bosnia-Herzegovina consisting of three sovereign countries linked by confederal ties.

Further, we discussed some territorial issues between the Serbs and the Croats, without entering into Muslim territorial problems. We have not signed or agreed anything here, but we concluded that it is perfectly possible to resolve these controversial territorial issues and that there is absolutely no need to fight over territorial issues. This also includes our access to the sea and the adjustment of territories for the Croats and the Serbs by taking into consideration communication problems, geographical aspects, and so forth.

We then [word indistinct] the Muslims [words indistinct] some territory. Although this sounds paradoxical, the Serbs and the Croats, yesterday, in a way, took care of the Muslims getting their state, too. We envisaged a territory in central Bosnia, comprising approximately 30 communes, where more people used to live than there are Muslims in all Bosnia-Herzegovina. That is, 2.3 million people used to live there while there are 1.9 million Muslims. Therefore, the Muslims would get a big and significant living territory, as the Serbs and the Croats will have left this territory. This is a group of communes in central Bosnia that are, from the viewpoint of development and economic potential, the best in Bosnia-Herzegovina. We believe that the Muslims should accept this with lesser or greater corrections.

However, if they do not accept it, then it is clear that the Muslim side has opted for war and will have to stand accused of this war.

Karadzic Interviewed on Options for Republic

LD2106220193 Bratislava STV 1 Television Network in Slovak 2000 GMT 21 Jun 93

[Telephone interview with Bosnian Serb leader Radovan Karadzic by correspondent Martin Landel on 21 June; Karadzic's location not given, Landel in Bratislava—recorded; Karadzic speaks in English, with superimposed Slovak translation]

[Text] [Landel] Mr. Karadzic, the warring sides have signed a cease-fire on more than one occasion. In your view, why is it being consistently violated?

[Karadzic] The cease-fire between Serbs and Croats is very stable and lasting. We have not fought each other for more than three months. The cease-fire between Serbs and Muslims and between Croats and Muslims is not stable because the Muslims keep violating it.

[Landel] You say that you want peace. What, in your opinion, would be the best possible setup for Bosnia-Herzegovina.

[Karadzic] Bosnia-Herzegovina is able to survive as a confederation of three sovereign states. The Serbian and the Croat states could be independent, but the Muslim state could also be independent.

[Landel] Do you think that dividing Bosnia-Herzegovina into two parts—Serbian and Croat—would make any sense?

[Karadzic] Some in Europe are saying that Bosnia-Herzegovina should be divided into two parts and that Muslims could have their autonomy both in the Serbian and Croat parts. I do not think they would accept it, however. On the other hand, Europe would not like to see a Muslim state in the heart of Europe. This may endanger Christianity, and that is also our problem. We would accept both the two-state and the three-state solution.

[Landel] What is your view of the conference in Copenhagen that opened today? Bosnia is also being discussed at this conference.

[Karadzic] The EC bears a great deal of responsibility for what has happened so far. They should not force any solution on us. Bosnia is unable to exist as an independent and unitary state. If the EC wants to keep Bosnia alive, it would mean a lot more human casualties because Bosnia cannot survive except as a confederation of three states.

[Landel] You said a short while ago that you did not want to conquer Gorazde. Now, however, your units are attacking Gorazde.

[Karadzic] The Serbs do not want to expand the offensive. It is the Muslims who want to do so, so that they will have an even larger security zone. This is what is happening around Gorazde. We would like to put an end to the fighting near Gorazde.

[Landel] What, in your view, is the best way to end the war in Bosnia-Herzegovina?

[Karadzic] The main thing that has to be done to end the war in Bosnia is to exert pressure on the Muslims and the Croats so they will end the fighting. The Muslims are feeling the world's pressure, but they do not have the motivation to fight. The fights are continuing because the Serbs pay for them with their own lives. It is a problem. Pressure should be exerted on the Bosnian Government because it is not viable.

[Landel] The Muslim President Izetbegovic is exerting a great diplomatic effort at the moment. How do you view this effort?

[Karadzic] Mr. Izetbegovic is not consistent, saying one thing one day and another thing another day. Indeed, I think that the EC can see that Izetbegovic continually changes his views on Bosnia's problems.

[Landel] The voters in the referendum in the republic of Serb Krajina will probably favor unification with the Serbian part of Bosnia-Herzegovina. What will your future steps be?

[Karadzic] Well, we will not unite immediately. We will allow a chance for talks between Krajina and Croatia. It is better to prefer talks to fights. We hope that the Croats understand that the Serbs cannot live under the Croatian regime.

Bosnian Serbs Deny Delaying Gorazde-Bound Convoy

LD2206105893 Belgrade TANJUG Domestic Service in Serbo-Croatian 0944 GMT 22 Jun 93

[Text] Bratunac, 22 Jun (TANJUG)—Fighters of the Serb republic army [in Bosnia-Herzegovina], who are besieging Gorazde, have not opened fire on the town, but they had to return fire yesterday in response to Muslim attacks which were particularly strong in the areas of Cajnice and Ustikolina, a TANJUG reporter was told today by representatives of the General Staff of the Serb republic army. They gave explanations as to why the humanitarian convoy to Gorazde did not reached the town yesterday, as planned.

A routine examination of the contents of the 10-truck UN High Commissioner for Refugees [UNHCR] Gorazde-bound convoy was completed at around 1500 yesterday in the Podromanija area. Members of the team, however, due to take the UNHCR food aid to Gorazde, decided to go to Pale for lunch and on their return said that it was by then too late to travel to Gorazde. Therefore the food will be a day late in reaching its destination, for which the Serb side is not to

blame, moreover because the passage of humanitarian convoys through the Serb republic has always been safe and all deliveries have arrived in their destinations, it is stressed by the general staff of the Serb republic army.

Mladic Says Muslims Wounded UN Observer in Gorazde

LD2106200993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1828 GMT 21 Jun 93

[Text] Belgrade, 21 Jun (TANJUG)—Lieutenant Colonel General Ratko Mladic, commander of the army of the Serb republic, expressed his regret today to UNPROFOR's [UN Protection Force] command in Zagreb over the wounding of a UN observer who was on the way to Gorazde. Mladic stressed that, after a thorough investigation, all findings point to the conclusion that this crime was committed by the Muslims in their desire to trigger off international intervention against the Serbs by provoking such criminal incidents.

Mladic gave his assurances that the Serb side was sincere when it gave guarantees for the safety of UN observers, who were warmly received and were safe wherever they went. He added that this will also be the case in the future. Mladic said he would do everything he could to bring peace to Gorazde and the entire territory of Bosnia-Herzegovina. He stressed, however, that the Muslims did not share this view because, having signed the cease-fire agreement, they used strong forces and terrorist-subversion groups to attack Serb forces near the villages of Dobro Polje, Osanica, Grebesevo, and others, where Serb forces sustained casualties.

Mladic said that Muslim forces have also been attacking units of both the Serb republic army and the Croatian Defense Council on other sections of the front as part of their well-known strategy to challenge and provoke. He insists that all United Nations and UNPROFOR personnel should feel safe because the Serb people see them as friends and genuine champions of peace.

Creation of 5 Provinces Reportedly an Option

AU2206120493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 22 Jun 93

[Excerpt] [passage omitted] Following the news that the summit of the EC Twelve had rejected (?in principle) the latest Serbo-Croat proposal from Geneva on the partition of Bosnia-Herzegovina into three ethnic states, and stressed the previous Vance-Owen plan, which places particular emphasis on the political unity of Bosnia-Herzegovina as a state consisting of 10 autonomous provinces, Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, said that this represented the E.C. decisiveness to support at any rate the integrity of Bosnia-Herzegovina.

BH-PRESS has found out that the barroom talk surrounding the summit in Copenhagen mentions two options: The first one involves the creation of five provinces in Bosnia-Herzegovina, which reminds one of Cutilheiro's prewar solution, and the second involves the constituting of three states, as recommended by Tudjman and Milosevic during their last meeting in Geneva.

Croats Blame Izetbegovic for Continued Attacks

LD2106144493 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 21 Jun 93

[Text] The information department of the Croat Defense Council of the Croat community of Herceg-Bosna has said in a statement that attacks by the Muslim army on the Croat towns and villages are continuing and that they are ordered directly by Alija Izetbegovic.

The Croat population in central Bosnia is exposed to a strong aggression by the Muslim forces, which have killed or wounded over 2,000 Croat civilians and Croatian Defense Council [HVO] members in the last 20 days alone. Tens of thousands of Croats have been expelled from Travnik, Zenica, Kakanj, and many villages in central Bosnia, which have been completely burned down and destroyed.

The leaders of the Croat community of Herceg-Bosna have been doing everything to stop the war in the area, using all available political means. The Croat community of Herceg-Bosna, simultaneously with its efforts to bring about a peaceful resolution to the fighting, is doing everything to protect the Croat population from criminal attacks by the Muslim mujahidin units. The Croat people have the right to defend themselves and this right cannot be taken away from them by anyone. If the peacemaking efforts fail the Croat Defense Council would do everything to protect and defend the Croat population and central Bosnia. For that we have both strength and ability. Crime and terror by ostensible allies will not be tolerated any more. The Croat people and central Bosnia must be and will be defended, the statement by the information department of the Croat Defense Council of the Croat community of Herceg-Bosna says.

Muslim Forces Reportedly Violate Sarajevo Cease-Fire

LD2206112293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1049 GMT 22 Jun 93

[Excerpt] Pale, 22 Jun (TANJUG)—Early this morning, Muslim forces committed a serious cease-fire violation on the Sarajevo battlefield, firing with heavy machine guns and snipers from the areas of Sirokaca, Colina Kapa, and Zlatiste.

A bus carrying passengers on the Pale-Lukavica-Vojkovici line was riddled with bullets and five passengers were wounded. Two seriously wounded passengers were taken to the Koran hospital for treatment. [passage omitted]

Muslims Launch 'Frenzied Attacks' on Kresevo

LD2106224393 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 21 Jun 93

[Excerpts] The Herceg-Bosna Croat Defense Council's information service reported this evening that Muslim forces were launching frenzied attacks on the Croat town of Kresevo in central Bosnia. [passage omitted] Muslim artillery has been pounding the very center of Kresevo, causing numerous civilian casualties. We still do not know the exact number of victims.

Muslims Continue 'Onslaught'; Croats Flee

LD2106193493 Zagreb HTV Television in Serbo-Croatian 1730 GMT 21 Jun 93

[Excerpts] The Muslim onslaught on Croat areas, civilians, and defenders is continuing with undiminished intensity. Novi Travnik is again under attack. The situation in the town is extremely difficult, and 20,000 refugees from Travnik and other towns make it even more serious. Croat areas and towns are being razed and ethnically cleansed by the Muslim scorched-earth policy [passage omitted]

About 15,000 expelled Croats from the Kakanj municipality have returned again to Vares; they have been trying to reach safety for almost a week. Vares, which is already packed, received the Kakanj refugees again. However, thousands of refugees are still in the open.

An appeal from Vares today says among other things: Vares has been under total blockade for months now, so last reserves of food and other supplies are running out. We are facing mass death from hunger. The town has no water and power. Its hospital has no medical supplies. There is a danger of epidemics breaking out because of the concentration of people. We appeal to the domestic and international public to stop the offensive of Muslim forces against Croat areas in central Bosnia. We also appeal for urgent aid in the form of food, medical supplies and clothing for Vares. [passage omitted]

Serbs, Croats, Muslims Agree on POW Exchange

LD2106210593 Belgrade TANJUG in English 2041 GMT 21 Jun 93

["Pool" item]

[Text] Belgrade, June 21 (TANJUG)—Officials of the Bosnian Serb republic, the Bosnian Croat state of Herceg-Bosnia and Croatia have agreed to exchange prisoners on the all-for-all principle, the Bosnian Serb News Agency SRNA quotes a statement released by the Bosnian Serb Government on Monday.

Under the agreement, all Croats from Croatia and Herceg-Bosnia held prisoner in the Bosnian Serb republic are to be exchanged on Wednesday, June 23, at Livno, western Herzegovina, for all Serbs held prisoner in Croatia and Herceg-Bosnia, the statement said.

In keeping with international norms, it has been agreed that no obstacles would be raised in the way of any civilians who might wish to leave the territory of Herceg-Bosna for the Bosnian Serb republic, and vice versa.

Bosnian Croats, aided and abetted by the Army of neighbouring Croatia, began the Bosnian war 15 months ago as allies with the Moslems against the local Serbs. The alliance has been dissolved, however, since the two sides signed the Vance-Owen peace plan, and they are now fighting for control of territories in Herzegovina and central Bosnia.

Fleeing before rampaging Moslem fighters, who are pushing them out of central Bosnia, tens of thousands of Bosnian Croat civilians and troops have lately been taking refuge in Serb-controlled territories. Serb authorities have been helping them cross into Croatia.

'Consternation' Expressed Over Christopher Remarks

LD2106231393 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 21 Jun 93

[Text] The Foreign Ministry of the Republic of Croatia has expressed regret and consternation over U.S. Secretary of State Warren Christopher's recent statement on, as he put it, the serious errors committed by the West in the entire process of the hasty recognition of the Republic of Croatia and the Republic of Bosnia-Herzegovina.

The Foreign Ministry warned that, by saying this, the secretary of state was directly encouraging interpretations that hasty recognition had even caused the outbreak of war on the territory of former Yugoslavia, although historical facts prove the opposite.

The former Yugoslav People's Army [JNA] first carried out an aggression against the Republic of Slovenia, justifying this with the need to protect the borders of the SFRY, and later against the Republic of Croatia, justifying this move as a struggle against Croatian secessionism. After that came Bosnia-Herzegovina, which was justified as countering the threat of Islamic fundamentalism and defending the right of the Serb nation to live in one, common state.

Since the very beginning of the war on its territory, the Republic of Croatia has persistently warned and will continue to warn, the world public that this is an open aggression designed to help realize the project of creating a greater Serbia. That this is true was corroborated by a recent statement made by the former defense minister of the SFRY, General Veljko Kadijevic, who declared before a military tribunal in Belgrade that the JNA's objective was to takeover the borders of the new Yugoslavia and added that he would have acted in the same way under present circumstances.

Unfortunately, the world community lacked the mechanism and perhaps the genuine determination, to identify aggression on time, to react, and to stop it. The incapability of the international community to efficiently face this merciless aggression is particularly evident in the tragedy of neighboring Bosnia-Herzegovina.

The Foreign Ministry of the Republic of Croatia expressed the Croatian Government's determination to establish peace exclusively through negotiations and on the basis of relevant Security Council decisions and the Vance plan for Croatia, that is, the Vance-Owen plan for Bosnia-Herzegovina and an agreement between the representatives of the three constitutive nations. The Foreign Ministry hopes that, in the search for a peaceful and just solution, which will not reward the aggressor, and which Croatia has always been in favor of, the United States will assume a leading and resolute role in accordance with the stands repeatedly expressed by President Clinton. Despite this misunderstanding, Croatia believes that restoring peace in the Balkans is of vital importance to the United States, and is ready to make its full contribution to this effect as a factor of peace and security in the region. Likewise, the Republic of Croatia will welcome every new impetus to the development and strengthening of friendly relations and cooperation between the two countries, which is in its long-term interest.

Commentary Views Change in U.S. Position

AU2206090393 Zagreb VJESNIK in Serbo-Croatian 10 Jun 93 p 9

[Article by Stijepo Martinovic: "Beware the White House Bearing Gifts"]

[Text] Since the entire U.S. "vision" of resolving the Bosnia- Herzegovina drama has been reduced to several reservations for the Muslims, tolerating the Muslim-Croat war in the areas that were saved from Serbian occupation mostly actually by the Croats, and legitimizing the Serbian conquest of 70 percent of the territory of Bosnia-Herzegovina—it is almost certain that Washington will no longer engage in this local "crisis" on a level any more intensive than nocturnal humanitarian missions by their "Hercules" and daily tittle-tattle at the UN Security Council. Anyway, where has Reginald Bartholomew disappeared to, the man who was, together with Vitaly Churkin, supposed to *create* Bosnia-Herzegovina under the auspices of the UN, after Vance and Owen had drawn up its maps after the consensus of the UN and EC?

The United States has, therefore, successfully resisted the challenge to reaffirm itself in the Balkans as the only world power, as the country that must be the leader in world affairs—especially since it "emerged as the winner of the cold war." That is, the United States does not need the Balkans to prove the former, and it is too much like a quagmire in which the latter might disappear!

But at what moment did the Clinton administration give up the idea of military intervention as the only method which could pave the way for the implementation of the Vance-Owen plan? Washington is pulling out of the main crisis point of the ex-Yugoslav entropy, having definitively introduced Russia as the main arbiter of the "crisis." In other words—with its initial entry through Christopher's plan and the strong influence on the style of the rhetoric of the Security Council's resolutions—Washington has finally revealed the EC's impotence *on Yugoslavia* and has provided for the Anglo-French alliance a *proto-European presence* in the Balkans that "measured up" the power of the United Germany to participate in the (re)shaping of its historical spheres of interest. [sentence as published]

But is Washington—getting out of the Bosnian-Herzegovinan "pot"—actually leaving Europe to struggle with the lethal "incident" [the war] in its own backyard? Seemingly yes, because Europe can neither ignore the events in the Balkans in any combination—especially not by deluding itself that it is a "crisis" that

will always be contained on the territory of "former Yugoslavia"—nor can it give a clearer message than reducing the Vance-Owen plan to "beginning its implementation" by establishing Muslim reservations. For, who will pay the price of the palestinization of Bosnia's majority population—if not Europe?

However, the United States is giving Bosnia-Herzegovina back to Europe, since it has made Russia its diplomatic "limitator." Washington is, therefore, distancing itself—and taking along NATO's potential in the Balkan "crisis!"—while Moscow is getting closer, so that it is now breathing down Europe's neck. At the same time, in order to prevent Europe from (defensive) homogenization against that breathing—or from, God forbid, reaching out for the Bosnia-Herzegovina tragedy as the means to show its new plausibility—Germany, as a country without whose escape from the Anglo-French *Balkan shadow* the engine of European unity cannot reach its operating temperature, is suffering interior shockwaves that it would be idiotic to believe are not connected to the ex-Yugoslav complex.

At the same time the U.S. offer of "the Bosnia-Herzegovina crisis" to Europe with Russia's appearance on the scene following the conclusions of the *Washington five* has been served with another *Euro-German catch*: Apart from not being able to reach its Balkan dimensions, because it is disciplined with pictures of its undigested past by the Anglo-French alliance, Germany has its hands tied also because of its specific relationship with Moscow. Indeed, no one invested as much as Bonn in the cleansing of the charred remains of Brezhnevism, and no one hopes to be more present on the Russian market than the Germans—and that is why they have to have an entirely different attitude to the Russians, who have been commissioned by the United States in the Balkans as well, from that which Paris and (or) London (each for itself or together) ought to have.

Moreover, in talking about the limitations of German policy in the Balkans, it is not the least bit coincidental that with its (neo-Nazi-racist) orgies it is destroying itself in an area of special geo-political interest: the link with Turkey as the center of the secular Islamic world. One could say that someone is still successfully removing railroad sleepers from painstakingly laid kilometers of the Baghdad railroad! [sentence as published]

By giving up the cutting off of Serbian aggression through intervention, Washington is giving, even at the verbal level, united Europe room to prove itself in Bosnia-Herzegovina—but only after using Russia as a disturbing factor in a Europe *consumed by Maastricht* in the making. Naturally, Moscow has enthusiastically accepted this unexpected role, which, as has been repeated many times lately, at the period of third world internal erosion, grants it excellent penetration on the international scene, which includes "corrections to Yalta," which today gives a headache only to those (of us) who are caught up in it and to those in Europe who know what really happened!

B-H Presidency Members To Discuss Croat-Muslim Clashes

AU2106201093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1711 GMT 21 Jun 93

[Text] The session of the Bosnia-Herzegovina Presidency will not be held in Zagreb or Geneva today, as was envisaged earlier, because it has been assessed that the country's highest body must hold a session in Sarajevo, stated Presidency member Dr. Ejup Ganic for HINA news agency.

The members of the Bosnia-Herzegovina Presidency, except for President Alija Izetbegovic, are all in Zagreb and plan to hold a consultative meeting in the afternoon, Ganic said. According to him, one of the main topics will be to agree on the ways to stop the Muslim-Croatian clashes in Bosnia-Herzegovina, which are, as he said, a collective tragedy for both nations.

The problems that led to the clashes, Ganic said, must be put on the negotiating table. The talks must include representatives of the Muslim and Croat communities in Bosnia-Herzegovina. When asked, in light of this position, whether today's consultative meeting of the Bosnia-Herzegovina Presidency members will be (?expanded), Ejup Ganic said that he personally hoped so.

Article Analyzes Economic Disputes With Slovenia

AU2206104093 Split SLOBODNA DALMACIJA in Serbo-Croatian 9 Jun 93 p 7

[Article by Josip Jovic: "Cottages for Saving Accounts"]

[Text] There is a small country in the north of the Balkans, or above the Balkans, to be precise, that is at the stage of breaking off from the old common country and fighting the neo-hegemonization of that area, and that used to have close relations with Croatia. Then there came the phony war of the Yugoslav National Army against Slovenia, and Croatia was criticized for not expressing support for Slovenia, not even verbally. When it came to the real war in Croatia, its northern neighbor did not even show verbal solidarity, and there is none today. On the contrary, the Slovenes seem to be exploiting the difficult international situation of their closest neighbor and keep sending Croatia bills, causing it an unexpected headache from a side from which it was least expected.

The Slovenes want to continue, as they did in the common "homeland," to cut trees and fish in Croatia, and then to sell furniture and sardines back to Croatia. It suddenly turned out that the sea is too small and too narrow, so they want to take the entire bay of Piran, although this claim has no foundation in international maritime law. Therefore, since we will not give them the sea (we do not question the sea passage), they will not allow us passage to the continent. They react unanimously to every border incident. They know that Croatia cannot afford to open up more problems.

Still, this will somehow be resolved between the two civilized states that have common interests. Moreover, Croatia is always prepared to make concessions and there will be no problems. But the issue of borders, i.e. the issue concerning direct relations between the two states, is just one area of dispute and not the most problematic one. There is also the area where the state appears as the protector of the interests of its own citizens. It is interesting that the Slovene side is here also on the offensive, although Croatian interests are in an equally difficult position in material terms.

What is this all about? Officials of the Ministries of Justice of Slovenia and Croatia recently met in Zagreb and the Slovene raised the issue of cottages in Croatia that belongs to citizens of Slovenia. We did not notice, or at least there was no mention of it in press reports, the Croatian or his colleagues asking: What about the money held by Croatian savers in Ljubljanska Banka?

The Slovenes gave us a good idea, but it seems that the Croats would not be provoked. It is common knowledge, especially to the savers, that the Croatian state has taken on itself the debt and the responsibility to Croatian savers who had foreign currency deposited with Ljubljanska Banka, expecting that, in the final analysis, the Slovene state would make up for it. However, the Slovene state has not reacted at all. Therefore, if they nationalize our money, and if they regularly pay savers of the same status from Slovenia, why, if they keep refusing what they owe savers from Croatia, could we not—no, we are not being malicious, we are trying to be logical and establish valid correlations—nationalize their cottages? If the savings accounts are worth 700 million German marks, we could get that if we nationalized some 4 thousand cottages at the Adriatic coast. Fair reckoning makes long friends.

Some may say that this encroaches upon private property. But what are foreign currency deposits, may I ask? What is the difference, de facto and de jure, between the two kinds of property? The social consequences of seizing people's savings are much greater than they would be from nationalizing the cottages, because the owners of the latter are richer. Croatia will not complain if Slovenia takes over the debt to their cottage owners and pays with the foreign currency accounts of the Croats in Slovenian banks. It is true that the entire world would talk about discrediting minorities and threatening human rights in fascistic Croatia, which would certainly not go without comment from Slovenian citizen Dobroslav Paraga [president of the Croatian Rights Party]. But that is a long story. And if it becomes necessary to provide arguments and counter arguments, it will not be difficult to get them.

President Kucan on Serbian Expansionism

PM2106153493 Stockholm SVENSKA DAGBLADET in Swedish 19 Jun 93 p 4

[Report on interview with President Milan Kucan by Richard Swartz in Ljubljana; no date given]

[Text] Ljubljana—Almost exactly two years ago Slovenia was the first theater in the Balkan war—a war that was a mere skirmish compared with what was to follow. In his sober way Slovene President Milan Kucan talked of it as "just a preparation" for the Serbian attack on Croatia.

Today Kucan thinks that the risk is very great that the Balkan war will spread beyond Bosnia-Herzegovina's borders, but that his Slovenia scarcely needs to anticipate being drawn into it:

"Belgrade has no such intentions; we have no Serbian minority. But if the conflict between Serbia and Croatia flares up again, we would have the war directly on our borders. What the world has to ask itself is whether it really wants to allow Serbia to establish itself as a military and political power strong enough to dominate almost the whole of the Balkans."

Kucan pointed to Slobodan Milosevic and the political class in Serbia as those chiefly responsible for the war. To describe it as as civil war would be "totally wrong," an "incorrect analysis leading to the wrong conclusions" in the search for possible ways of putting an end to the war in Bosnia. It is true that over time the war has acquired all the characteristics of a civil war, but is origins were very different:

"The war is about expansion, about winning new regions for Serbia. And it is not the Bosnian Serbs which began it, but the army which began the war during its retreat from Slovenia and Croatia. When it withdrew it took with it all its equipment and received orders from Belgrade to make a halt in Bosnia where enormous arms and ammunition dumps are situated.

"At this point the army was already a Serbian army, largely free of Croatian, Slovenian, Macedonian, and Albanian recruits.

"Belgrade then gave it orders to adopt positions which correspond to Greater Serbian notions of what belongs to Serbia. The aim was to annex the parts of Bosnia-Herzegovina and Croatia where Serbs live. This is the real origin of the war, and naturally the Serbian intentions have elicited rections from the Croatian and Muslim sides."

Kucan is very critical of the way in which the rest of the world and the United Nations have handled the conflict. First, Alija Izetbegovic was robbed of a large part of his "legitimacy" by being viewed merely as the representative of Bosnia-Herzegovina's Muslims, and not as the head of an internationally recognized state which it had been the UN task to protect. In actual fact the United Nations has the whole time been humming and hawing about whether it was prepared to accept Bosnia-Herzegovina's "integrity and sovereignty"—and this has encouraged those who from the very outset have wanted to destroy the Bosnian state. As a result of the eagerness to get the Bosnian Croats' and Serbs' signatures on a piece of paper local war lords such as Mate Boban and Radovan Karadzic were raised to the level of Izetbegovic's equals.

"Why?" Kucan asked. Everyone must be aware that the war is being directed from Belgrade and Zagreb—by Slobodan Milosevic and Franjo Tudjman. Negotiating with other representatives of the Serbian or Croatian sides is simply a waste of time. There are no politicians other than Milosevic, Tudjman, and Izetbegovic who can achieve some sort of peace in Bosnia through negotiations.

The inevitable and tragic consequence of continued war will be that the Muslims "lose everything." The present arms embargo against the whole of the former Yugoslavia is in practice directed only against them. Kucan did not beat around the bush and talked of "genocide" of the Muslims. He views ethnic cleansing as a euphemism which conceals more than it explains. If the world were to allow the Serbs to remain in the areas they have conquered—if only temporarily—it would be naive to believe that the the Muslims would consider moving back and therefore exposing themselves to the risk of further genocide.

According to Kucan, the framework for a possible future negotiated settlement is that the United Nations must be resolute in guaranteeing Bosnia-Herzegovina's existing borders and declaring the Bosnian state a protectorate which Belgrade and Zagreb must also be made to respect. Only the United Nations can guarantee the Muslims' "physical security" and their "right to organize themselves politically" in the places where they have always lived.

But Kucan himself seems skeptical. What he himself calls a "catastrophe" seems more likely—Serbians and Croatians dividing Bosnia between them. The only alternatives remaining to the Muslims is either living in an enclave, or a major movement of people so that they live in either a Serbian or Croatian state but have autonomous rights. Under such circumstances the Muslims would probably choose Croatia, Kucan guessed.

Kucan ironically described the plan of action for Bosnia which a number of states headed by the United States have put forward as "a major step toward accepting what the war has already created." He is shocked that the leading states of the West have all shown the same lack of interest in the Balkans that they showed in the run-up to what turned out to be World War I, and for the Slovenian president the tendency in political circles in the West to view Slobodan Milosevic as a peacemaker is "the most extreme form of cynicism."

"Milosevic can afford to show off his readiness to negotiate because he has already achieved his strategic

goal through the war. He has very little to lose in negotiations. Today he controls one-third of Croatia, three-quarters of Bosnia, and he knows that peace negotiations follow every war.

"And such negotiations never take as their point of departure the situation which existed before the war broke out, but with the situation the war has created. The peace negotiations will therefore be about how far the grabbers will be allowed to keep what they have grabbed for themselves, and not about who is responsible for the fact that the war began at all.

"Both abroad and here at home Milosevic has skillfully created the impression that he and Serbia really have nothing to do with the war, that he is simply a concerned onlooker. All this is nonsense of course. A person like Karadzic is simply a tool in Milosevic's hands—and no one knows this better than Karadzic who is afraid that Milosevic will put all the blame and responsibility on him before the whole world if the plans for a Greater Serbia fail.

Kucan believes that compromises with the representatives of the ideology of a Greater Serbia are impossible and that therefore the risk is very great that the Balkan war will spread south. The supporters of the ideology of a Greater Serbia also have territorial claims on Macedonia, Albania, Bulgaria, Romania, and Hungary. For the Greater Serbian nationalists Macedonia is simply "southern Serbia." Just like Athens, Belgrade will never recognize any Macedonian state, and it is only because of Belgrade's diplomatic and international isolation that Milosevic has been able to avoid saying this as openly as it has been said in Athens. And in Macedonia there are enough Serbs who could be used as an excuse for opening a new front in the south too, Kucan said.

Without a solution to what he called the Serbian question Kucan sees no chance of lasting peace in the Balkans. He is careful to make a distinction between Milosevic and "legitimate Serbian interests" which a democratic Serbia would have the right to represent. But such a Serbia is very distant and the unsolved Serbian question lies not only behind today's war, but was also responsibile for the breakup of the Yugoslav state. After the collapse of the communist ideology and the end of the division of the world into two blocs, there was no longer any integrating force for Yugoslavia. The Slovenes and others wanted a market economy, a common Yugoslav market, to fill the vacuum, Kucan said.

"But the Serbs were not interested in such a solution. We were patient for a long time, we tried to negotiate, but the stubbornness of the Serbian state made it necessary for us to declare our independence. The breakup of Yugoslavia became a necessity. But the breakup did not have to happen in this way, through this brutal war which has made a resurrected Yugoslavia an impossibility for all future time."

Government Orders TANJUG Out of Ljubljana

LD2106170593 Belgrade TANJUG in English 1608 GMT 21 Jun 93

[Text] Belgrade, June 21 (TANJUG)—The Slovenian government has informed the Yugoslav news agency TANJUG in writing that it must vacate the offices in the Slovenian capital Ljubljana by June 25, and leave behind the equipment valued at over one million German marks.

The takeover will be carried out on the basis of the Slovenian government's decision of May 28, says a letter received by TANJUG's correspondent in Ljubljana on Monday.

The Slovenian government offered to move TANJUG's offices to a makeshift building far away from central Ljubljana and lacking the necessary communications facilities.

The offices used by TANJUG in Ljubljana are partly owned by the agency, while the equipment with a market value of over one million German marks are fully owned by it.

It is not clear why the Slovenian government has decided to take away TANJUG's property by force and limit the agency's possibilities of reporting from Slovenia. One of the possible reasons may be that Slovenia wishes to take over property of the former Yugoslav Federation, although TANJUG was not state-owned and its property can therefore not figure on the list for a division of assets and liabilites of former Yugoslavia.

Responding to the threats by the Slovenian authorities, TANJUG's Editor-in-chief Dusan Zupan said he believed that the decision to seize TANJUG's offices in Ljubljana would be changed because violence was not the best 'ID card' for Slovenia as a democratic law-abiding state.

"Slovenian authorities should put their claim before an independent court. Any other action would constitute an act of piracy clashing with the norms of civilized behaviour," said Zupan.

He also said he would notify the Brussels-based International Federation of Journalists and the competent bodies of the CSCE, the Council of Europe, the European Community and the United Nations if the Slovenian government took TANJUG's offices by force.

Criteria for Distribution of Ownership Certificates

93BA1110G Ljubljana DELO in Slovene 3 Jun 93 p 3

[Article by Gordana Pipan: "The Deputies Have Changed Some Rules of the Privatization Game"]

[Text] *The most tumultuous was the debate on the standards for distributing certificates; they will now be*

distributed on the basis of age; the money from the Development Fund will be used to preserve population of the countryside.

Ljubljana, 2 Jun—Approximately half a year after the adoption of the privatization law, the rules of the privatization game have been changed. The discussions of the proposed changes in various parliamentary commissions brought an extensive heap of additional proposals and amendments. Most tumultuous, of course, were the debates on the standards for part of the free distribution, i.e., the distribution of certificates, on the basis of length of service or age.

Thus, instead of the original concept adopted in November of a distribution on the basis of length of service, the certificates will now take into account the standard of age. Specifically, a special government group responsible for preparing the certificates has determined that it lacks data on approximately 200,000 more employees, and seeking them would cost approximately 7 million marks. Such changes were particularly opposed by the Slovene People's Party and also the members of the independent deputies' group; with an amendment already rejected yesterday, the People's Party proposed both possibilities: either length of service or age.

At least in the initial debate during the May session of parliament, the United List was also more enthusiastic about a distribution that took citizens' length of service into account. The proposals from the Slovene National Party and the Independent Deputies' Group that the certificates should only be received by those Slovene citizens who had citizenship on 9 May 1990 did not receive enough support yesterday, either. Because of a technical error, that amendment had to be voted on twice. In fact, it happened at the moment when the State Assembly deputies voted for the so-called Kopset amendment the previous Friday. Their victory was spoiled by the statement by ZL [United List] deputy Mateja Kozuh-Novak that her key was not working. In the repeated vote, the amendment did not receive enough votes—it lacked three votes for that. Also rejected was an amendment that would have used different standards for issuing certificates to people with dual citizenship.

In addition to claimants, their heirs can also submit claims upon enterprises that are being transformed according to the privatization law and are covered by regulations on the return of property—the denationalization law, the regulations on cooperatives, etc. When enterprises decide on a complete sale or the transformation of enterprises through sale of all its assets, there will not be any internal purchase and internal distribution of shares; now the employees must also be satisfied with that privatization program. Surplus certificates can also be used for the internal purchase of shares, if the employees, former employees, and retired workers submit to the enterprise ownership certificates that exceed 20 percent of the value of the social capital according to the initial balance. The law passed in November only provided for using employees' surplus certificates for this internal purchase. In preparing the initial balance, an enterprise can now also form reserves, and the government will prescribe how they are to be formed at the Agency's suggestion.

Employees at public institutes, state bodies, and other state services will now also be able to receive certificates issued by the Republic of Slovenia, namely for the difference between paid and unpaid wages in accordance with the collective contract on the noneconomic sector from 1 January to 30 October 1992. An enterprise can distribute the shares for that part of the unpaid personal incomes to employees, retirees, and former retirees for that part of the unpaid net personal incomes specified by collective contracts until 1 January 1993.

An enterprise can now be transformed by increasing the ownership capital on the basis of the initial balance or the enterprise's assessed value, if in doing so it increases the ownership capital by more than 10 percent of the enterprise's ownership capital according to the initial balance or according to the assessed value (the November version required an increase of more than 30 percent). There are also changes in using the money from the Development Fund. Now, instead of being used for rehabilitating banks, it will be used to preserve population of the Slovene countryside. The money from the Fund will also be allocated for encouraging and financing exports, technological and development projects, ecological investments, the development of small business, the payment of war compensation to internees, refugees, and civilian war invalids, and also for political refugees, investments in the public sector, and the development of ethnic communities. In addition to the ecological fund, the technological development fund, and the fund for paying war damages, a fund for preserving population of the Slovene countryside was also stipulated.

The deputies also adopted standards for assessing the misappropriation of social property, with amendments. After completion of an audit, within a month of the delivery of the audit report, enterprises will be able to correct misappropriations through legal transactions and records. As specified by the privatization law, the audit procedure also has to be conducted at enterprises that deal in games of chance and at enterprises that are in bankruptcy proceedings. Yesterday the deputies also devoted some time to an amendment according to which not all unpaid transfers of social property would be void. Its supporters claimed that intervening retroactively was legally impermissible, and in their opinion there could also be a lawsuit against any misappropriations by this means. At any rate, the deputies voted for an article according to which all unpaid transfers of social property to other legal persons are void.

[Box, p 3]

Legally Promoted Distribution of Certificates

According to the changes in the privatization law, ownership certificates will be received by those who were Slovene citizens on 5 December 1992. The nominal values of the certificates will differ according to the age of those entitled, namely:
—10,000 tolars: up to age 18;
—200,000 tolars: from age 18 to age 23;
—250,000 tolars: from age 23 to age 28;
—300,000 tolars: from age 28 to age 38;
—350,000 tolars: from age 38 to age 48;
—400,000 tolars: from age 48 on.

[Box, p 3]

We did not receive any commentary from the Public Auditing Service [SDK] on the proposed amendments to the privatization legislation, since the SDK says that it does not yet have the final text of the law, and consequently it is not giving statements.

Drnovsek on Results of Economic Reforms

93BA1110I Ljubljana DELO in Slovene 3 Jun 93 p 10

[Article by Bozo Masanovic: "'We Will Be the First To Finish the Transitional Period'"]

[Text] *The process of European unification is the light at the end of the tunnel for the Central and East European states, our prime minister said at a Council of Europe conference.*

From our special reporter.

Helsinki, 2 Jun—Slovenia will probably be among the first Central and East European states that will successfully complete the transitional period, in spite of a certain delay with privatization, which is a consequence of the extended parliamentary debate to search for the ideal form of this process, Prime Minister Janez Drnovsek stated, after he listed for the participants in the parliamentary conference on progress and prospects for economic reform in Central and Eastern Europe that started today in the Finnish capital, organized by the Council of Europe's Parliamentary Assembly, the key elements in Slovenia's path to a market economy, and also several unfavorable circumstances associated primarily with the collapse of the Yugoslav federation.

Dr. Drnovsek is convinced that Slovenia could even be an extremely interesting example for other states that are trying to transform their economies, and embarked upon the path of reforms with the goals of building an independent state and establishing a liberal economic system. In contrast to the other states in this region, however, Slovenia nevertheless had a more favorable starting point, such as a market type of system, relatively independent enterprises, and the most outwardly directed economy, with a quite small technological lag behind the developed states. The gross product per capita was equal to that of some EC countries, such as Greece and Portugal, and two or three times higher than the most successful Central and East European states, which has made the process of promoting economic reforms easier for Slovenia. The results achieved so far, which Dr. Drnovsek listed in detail, from the low inflation rate to the surplus in the balance of payments, fairly high currency reserves, and the tolar's convertibility in current payments, demonstrate that Slovenia is on the right path. The Slovene prime minister, who today at Helsinki's Marina congress center also analyzed the challenges facing the East and Central European states, emphasizing that there was no single solution for these problems, from high unemployment to difficulties in transforming the economy, and that instead each one had to choose its own path adapted to its own characteristics, naturally did not forget to mention strengthened cooperation with other European states, which is of vital importance for an area where political and economic reforms are under way. The process of European integration can still mean a light at the end of the tunnel for the Central and East European states, Dr. Drnovsek said, but except for the economic agreement with the EC and the efforts to conclude an agreement on a free trade zone with the other Central European states, he did not mention other Slovene plans to join Western economic groups.

The participants in the parliamentary conference, at which the Council of Europe succeeded in assembling, in addition to deputies from 36 states, a number of other prominent political figures and high officials from international organizations, such as the European Bank for Reconstruction and Development, the EC, the European Free Trade Association, the IMF, the World Bank, and the Organization for Economic Cooperation and Development, were welcomed at the start by Finnish Prime Minister Esko Aho, who said that in order to consolidate their economic reforms the Central and East European states needed primarily financial and technical assistance from the West, but they themselves had to establish political stability, which is the fundamental condition for an influx of foreign investments. The head of the Finnish government also insisted on a liberalization of trade, and in this regard expressed a high opinion of the free trade agreements concluded so far, which he believed to represent significant progress in removing barriers to trade in the entire European region. As a long-term goal, Esko Aho proposed establishing an "all-European common market," which would permit solid economic development overall.

The removal of old obstacles should not mean the construction of new ones, the Finnish prime minister said, and thus warned about going astray in the process of European integration, which is focused on the members of the EC and EFTA, while all the others have had to be satisfied so far at most with association or free trade agreements, whereas Slovenia, even though in terms of economic indicators it is the most successful of the states in this region, has not yet participated in these agreements.

[Box, p 10]

Drnovsek's speech aroused considerable interest, as demonstrated by the numerous questions that the conference's participants asked the Slovene prime minister about reform processes such as the problem of privatization and the determination of ownership, or relations with the former Yugoslav republics. Especially noted was his statement that exports were of fundamental importance for the new state's survival. Slovenia was also mentioned by the World Bank's vice president for Europe and Asia, Wilfried Thalwitz, as a model and an example of a state that had successfully dealt with reform processes.

Real Income Falling in First Quarter of 1993

93BA1110K Ljubljana DELO in Slovene 4 Jun 93 p 4

[Article by Ilja Popit: "Slovene Wages Have Started To Decline in Real Terms"]

[Text] After a long period of a real growth in wages, we have now apparently moved into a period of a real decline in them. According to an official calculation by the Slovene Statistics Institute, the wages earned already declined in real terms back in January 1993, the February ones eliminated these consequences on the average, but there was a new real decline in March in the gross personal incomes earned. Wages, and also the pensions tied to them, are now thus going down in real terms.

The average gross wages earned in March and paid in April 1993 in Slovenia were 71,411 tolars, which is quantitatively 76.6 percent higher than those one year ago, and 3.1 percent less than those paid in March 1993. By a comparison of the gross wages paid in April and the March prices for basic necessities, the Institute determined that in real terms these wages were 4.6 percent lower than those earned in February and paid in March. A year ago wages were more modest, as also shown by a comparison with the personal incomes earned last March, the gross amount of which was 23.2 percent higher in real terms.

The declines affected employees in most sectors, except for three. Thus, the gross personal incomes earned this March in health care and social security were 30.2 percent lower in real terms than those earned in February; those in the hotel industry and tourism were 7.5 percent lower; those in finances and business services declined in real terms by 6.7 percent; in forestry they were 6.2 percent lower; in trade, 5.9 percent lower; in housing and municipal services 5.2 percent lower; in handicrafts and personal services, 3.8 percent lower; in education and culture 3.2 percent lower; in agriculture 2.4 percent lower; and in industry 0.1 percent lower, while in construction they increased in real terms by 3.5 percent, 7.2 percent in social organizations and communities, and even 8.3 percent higher in the water economy.

While wages, with the stagnation in the exchange rate, grew for a long time, if we calculated their volume by means of the exchange rate for the German mark, that comfort also began to be curtailed recently. If we convert the average net wage earned in March and paid in April, 43,916 tolars, at the average exchange rate for the mark at the Bank of Slovenia in the middle of the payment month, we see that it was 674 marks, which means that it returned to the level of the personal incomes paid in February. In the meantime, it was even 719 marks, in the March payments. Since the exchange rate slid even further since then, with the freeze in the amount of wages the volume of May payments will be even lower in marks in real terms, and it will be a little worse according to the official calculation using a comparison with the cost of living.

German Bank Approves Loan to Iskratel

93BA1110C Ljubljana DELO in Slovene 26 May 93 p 4

[Article by Miha Jenko: "Iskratel Received a Loan From the German Development Bank"]

[Text] Strmol, 25 May—Iskratel and the German Development Bank, DEG, signed a loan contract in the city of Strmol today in the amount of 20 million marks [DM]. As Iskratel asserted, this is the first major loan obtained since Slovenia's independence by any of our enterprises on a purely entrepreneurial basis.

The loan will be intended to finance the production of telecommunications equipment, which Iskratel will supply to Slovene enterprises for PTT [postal, telephone, and telegraph] traffic. As stated during the signing today, the loan also ensures jobs for many people. The preparations and negotiations on the loan lasted for four years, and today's signing of the contract means that now the Germans view our state as safe enough for long-term capital investment. The loan will be repaid in eight years, with a three-year moratorium, and in ten biannual installments, and the guarantor for it will be Ljubljanska Banka.

The guests from Germany were not stingy with praise of Slovenia today. In the opinion of George Heuss from the German Development Bank, the loan is intended for a successful joint venture between the Iskratel company and Siemens. In his opinion, our state has a positive investment environment (with a good infrastructure, an educated work force, a market-oriented government, declining inflation, and a solid currency; he is only bothered by the growing unemployment), and so the German side is optimistic with respect to the development of political and economic conditions here. He also emphasized that their bank was also interested in investments in the private sector.

The loan's recipient, the Iskratel enterprise, reduced the number of its employees between 1989 and the end of 1992 from 1,607 to 1,141, and during that period sales grew from DM85 to DM127 million. According to its data, the percentage of exports is growing visibly, since four years ago they amounted to a third, and this year they are about 70 percent of total income.

Federal

Cosic: Serb Policy in Montenegro May Cause 'Bloodbath'

AU2106203093 Bucharest EVENIMENTUL ZILEI in Romanian 17 Jun 93 p 8

[Part three of interview with former FRY President Dobrica Cosic by Radu Ciobotea and Cornea Raiko; in Belgrade on 11 June: "Without Realizing It, Vuk Draskovic Helped Slobodan Milosevic in a Delicate Political Situation"]

[Text] [EVENIMENTUL ZILEI] The Draskovic scandal broke out just one day after your demotion from office. Is there any connection between the two events?

[Cosic] Of course there is. Both signal the consolidation of a extremist totalitarian regime, ready to flagrantly violate all valid laws, including the Constitution. Nevertheless, in certain respects there is major dissimilarity between the "Draskovic scandal" and my case.

The leader of SPO [Serbian Renewal Party] followed quite a sinuous policy, varying between violence and pacifism. Setting Parliament under siege is not a constitutional fighting method, even if one is in opposition. That was a mistake that enabled his adversaries to brutally eliminate him.

My belief is that, without realizing it, Vuk Draskovic helped Slobodan Milosevic in a delicate political situation. Street rallies, during which weapons were fired on both sides, were more than welcome to divert the attention of public opinion from the coup that had been carried out against me and focus it upon street violence in Belgrade. The fact that I had been overthrown has become of secondary importance, especially since I have not given any interviews to the press.

[EVENIMENTUL ZILEI] You mentioned the fact that you wanted to promote a reform of the Constitution. I suppose that, owing to the fact that this reform has not been accomplished, a parliamentary majority could still "constitutionally" rid itself of Yugoslavia's president any time it so wished?!

[Cosic] That is perfectly true. In March 1993, when I submitted my draft on the reform of the constitution to Parliament, the competent commission rejected it for once and for all. By that time the main occupation of the constitutional commission was to seek ways in which the president of the federation could be replaced. Any experienced analyst would immediately realize that between the FRY Constitution and Serbia's Constitution there are not only profound discrepancies, but even blatant contradictions.

Profiting from this double-sided, quite ambiguous legality, Serbia's president has also taken over control of federal foreign policy. The majority of the ministers in the FRY government have been replaced with persons who are SPS [Serbian Socialist Party] members. Under such circumstances, the leadership of Yugoslavia is actually in Milosevic' hands. This kind of totalitarian policy has caused discontent not within the opposition, as one would have expected, but rather within the government of Montenegro.

The fact that the Milosevic regime is dominating the Republic of Montenegro has recently even caused secessionist reaction. Obviously, the domestic and foreign policy of Montenegro cannot be subordinated to those of Serbia without the risk of undermining the very sovereignty of that state [Montenegro]. The fact that this Serbian policy is wrong is also proved by the unrest that has recently broken out in Montenegro.

The secessionist Montenegro Liberal Party is not a powerful political grouping, but owing to police-type regime imposed on the country by Serbia and to the UN sanctions blocking its whole economy, there is a danger that the population might embrace the doctrine of separation from Serbia. That would cause a new bloodbath in the Balkans and would probably also drag Italy into the conflict. What I mean is not necessarily a military involvement. It could also take diplomatic forms. Let us not forget that the last Italian queen came from Montenegro. That is not just an anecdote, but rather a fact that might carry major significance.

Socialist Party Nominates Lilic for FRY President

LD2106190293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1751 GMT 21 Jun 93

[Text] Belgrade, 21 Jun (TANJUG)—At its session today the main committee of the Socialist Party of Serbia [SPS] decided to nominate Zoran Lilic, president of the People's Assembly of the Republic of Serbia, as president of the Federal Republic of Yugoslavia [FRY], the main committee announced tonight. The meeting was also attended by the SPS deputies' clubs at the federal and republican assembly.

Having chosen Zoran Lilic as its candidate for FRY president, the SPS main committee believes that he is a personality who has successfully performed responsible duties in the economy and politics. He is a young politician who enjoys a great deal of respect within the SPS, and among the public and citizens of Serbia and Yugoslavia. In his capacity as president of the People's Assembly of Serbia, Zoran Lilic has significantly contributed to the implementation of national and state policies.

The main committee maintains that Zoran Lilic will successfully meet the demands of the top office for which he is nominated, and that he will carry out his duty in the interest of the peoples of Serbia and Montenegro and Yugoslavia's citizens.

The SPS deputies' group has submitted this nomination to the presidents of the chambers of the Yugoslav Assembly.

Government Proposes Drastically Increasing Budget

AU2206065893 Belgrade BORBA in Serbo-Croatian 18 Jun 93 p 4

[Unattributed report: "More Than $900 Million for the Army"]

[Text] The Federal Government submitted the proposal of the budget reshuffle to the Yugoslav Assembly yesterday, by which the funds of the federal treasury would be increased by over 25 times. Instead of 50.606 billion, the budget would amount to 1.328 trillion Yugoslav dinars. According to the latest exchange rate of 1.1 million Yugoslav dinars for one U.S. dollar this enlarged budget would be approximately $1.2 billion.

The biggest increase of the funds is envisaged for the major user—the Yugoslav Army, whose funds were increased by 26 times and amount to 1,000 trillion Yugoslav dinars, or slightly more than $900 million. Almost a third of this amount is designated for the transformation of the army. There are 172 trillion Yugoslav dinars envisaged for the financing of the federal organs, 102 trillion for veterans and invalids' welfare, 37 trillion for social welfare, refugees, unemployment benefits, and minimal salaries, and 15 trillion for interventions in the economy. About two-thirds of the budgetary income (65 percent) should be secured from the primary sources of the federation, while 35 percent would represent deficit financing.

Corruption Among Navy Officers Discussed

93BA1096F Belgrade VECERNJE NOVOSTI in Serbo-Croatian 29 May 93 p 11

[Article by E.B.N.: "The Good-Hearted Admiral"]

[Text] Admirals and other top people of the Navy, whom journalists are almost unable to get to, because "in these times the armed forces should not be written about," nevertheless are not greatly disturbed by stories about their "operations" to provide a nice easy life, about the war booty ending up in expensive apartments and weekend cottages, about the mistakes in command on the battlefields of the former Yugoslavia, about promotions and other machinations which often are not clean.

Accompanied by remarks to the effect that "journalists write all kinds of things," along the way, they also do some "humane" things. And also that the public gets the impression that the armed forces are really with the people, to help work organizations and individuals when they can.

One such "gift" has been the topic of a story in Kotor Bay for quite a long time now. Vice Admiral Nikola Ercegovic, naval commanding officer, looked to see that some of the war booty would go where it would "be of use." Just about a year ago he made a gift to Autoboka in Kotor of five modern tourist buses and several tons of petroleum.

The Trunk Used Like a Duty-Free Shop

The collective to which the admiral gave the vehicles is run by his relative, Masan Ercegovic. And he has used that gift precisely in order to consolidate his own shaken position in the enterprise, where for a long time now he has been accused of various misappropriations.

Whenever things "got rough," Ercegovic would pull the trump from his sleeve: that if it had not been for (my) relative, the admiral, we would not have expanded our fleet.

There are quite a few stories, and there continue to be quite a few unknowns as well, concerning the buses and also about the weekend cottages of both Nikola and Masan Ercegovic in Grblje, which is between Kotor and Budva.

But "privileges" in the Navy go to others as well. It is important that a majority is satisfied, in which case it is easy to hold the minority "under control," however dissatisfied they may be.

Whatever cannot fit into the weekend cottages and villas will be found in the cars. Thus, in a traffic accident in Tivat, after the investigation, a sizable quantity of expensive goods was found in the car of Colonel Petar Dragicevic, for many years an assistant in what at the time was the Boka Naval District. There was everything there—from whiskey to expensive perfumes. It was not ascertained where those goods came from, but in the light of the story circulating concerning Dragicevic's abuses, it is assumed that this was part of the war booty!

Not a Hair From the Head

Individuals to whom we talked, but who do not dare to speak out publicly because they would "lose their heads," are bitter not only because the top officers have taken what they took a liking to, but still more because of the mistakes that have gone unpunished.

There are an abundance of stories from the battlefield about poor command of individuals. But not a hair on anyone's head has been touched on those grounds. Adm. Miodrag Jokic, commander of the Boka Naval District at the time of the war operations around Dubrovnik, is mentioned most frequently; this is a man who came to this important function because the "women chased him out of Belgrade."

There are quite a few stories, it is said, about his poor command, about mistakes near Srdje, about the truces which he signed and which the other side never respected, which is why many young men from Montenegro and Serbia lost their lives.

Adm. Jokic "supplied himself" with valuable things from the battlefield and then retired. His commands are talked about only by those who suffered misfortunes from them. Officially, everything has been removed from the agenda.

In Kotor Bay, the other day we heard yet another "pearl" about the war near Dubrovnik. At the height of the battles on that part of the front, in the fall of 1991, Mesic's "famous" convoy sailed into the port of Dubrovnik. Hundreds of vessels and little boats arrived with singers, artists, and other important fighters from Croatia for "truth and justice."

Among them, there were also about 700 Ustashi, armed and well-trained for combat in camps in Croatia and Europe. They entered the city which is a world-class treasury, and they soon were deployed in positions. A dozen soldiers from Kotor Bay lost their lives from their bullets.

People in the Navy, we have learned, duly halted the convoy and it probably would not have entered the port of Dubrovnik as a Trojan horse if a "command from above" had not ensued. Here, in front of Dubrovnik rapid radio communication was used and Stane Brovet, who at that time was [former Federal Secretary for National Defense] Veljko Kadijevic's deputy, ordered that the convoy be allowed to pass.

Even this "operation," as far as we know, has not been the subject of criticism, nor have there been any consequences for the participants. But why, asked those who in the Navy and Army of Yugoslavia know of the mistakes, but they do not dare to ask.

Current Economic, Political Situation Analyzed

93BA1101E Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 24 May 93 pp 21, 22

[Article by Tomislav Dumezic: "Nothing Without Eliminating the Sanctions"]

[Text] *In these conditions, neither a market economy nor a command economy will yield any results; why peasants would work more to support an urban population that will not do anything; necessary change in policy and its goals.*

The accelerated decline in the volume and quality of production and business in general has been present since the end of 1990. It is thus not primarily a consequence of the international community's imposition of economic blockade measures against the FRY; the causes are mainly of domestic origin. It coincided with the beginnings of the closure of the market, first against Slovenia's economy, and then with respect to enterprises from Croatia, as well as open abuses of the primary issuance of money (the illegal decision by the Serbian Assembly and the national banks of Serbia and Vojvodina to issue primary money in the total amount of about 26 billion dinars, which corresponded to the sum of approximately 2.3 billion U.S. dollars).

The decline in economic activity was accelerated by the war in Croatia, and then in Bosnia, by the further closure of the market to enterprises from the already collapsed SFRY and foreign countries, the shortage of foreign exchange caused by the closure of the market, reduced production and the increasingly higher costs of financing the war, and finally, by the application of the UN sanctions.

Today's economy is characterized by the following:

—industrial production that has declined by about two-thirds compared to the production achieved three years ago;

—a decline in the social product by about 60 percent compared to what was achieved in 1989;

—the complete closure of enterprises in some industrial sectors, with prospects for an expansion of the industries that are completely dying in parallel with the tightening of the economic blockade measures and the depletion of inventories;

—the severing of economic and financial ties with enterprises and financial institutions in foreign countries and the former Yugoslav republics;

—an increase in the rate of unemployment (the rate of real unemployment is higher than 100 [sic]) with a tendency to increase further;

—galloping inflation of several thousand percent annually, which devalues work and leads to having over 80 percent of the national income subject to redistribution;

—an impoverished population that has spent most of its savings in foreign cash, whose deposits in banks have been definitely lost.

The social situation is characterized, along with growing unemployment, by general poverty, a spread of conventional and economic crime, economic, property, and personal insecurity, and a lack of prospects, or a minimal degree of security.

The System Under the Conditions of the Blockade

Most economists—and it will also undoubtedly be accepted by the politicians in power—support a market economy, as opposed to a command, distributive (perhaps war) economy. A consensus has been achieved, although the motives of economists and businessmen, on one hand, and politicians and ruling structures on the other, are quite different. Specifically, as a rule economists and entrepreneurs proceed from the following positions:

—a distributive economy necessarily accelerates the decline in the volume and quality of the production of goods and services;

—the narrowing of the assortment is increasingly pronounced;

—even the last business contacts are severed;

—a return to the market will be more difficult, even when the sanctions are lifted.

The politicians' motives are somewhat different. They know that they cannot ensure real conditions for the functioning of a distributive economy. They are simply aware that they cannot ensure even the minimal amounts of basic food and other products that they would have to guarantee citizens. The distribution of oil derivatives showed them that. Consequently, it is certain that the orientation accepted will be the operation of economic laws, under the conditions of a closed market, with more frequent, brief, and crude state interventions.

The functioning of a market economy and market relationships in the conditions of a virtually hermetically sealed, small, and extremely poor market is difficult even to envision, especially since most industrial sectors and enterprises are so constituted that they depend on markets outside the present FRY for both inputs and outputs. It follows from this that the following consequences are necessary:

—complete cessation of the work of an increasingly larger number of enterprises;

—an attempt to redirect production to other simple products of domestic origin, leading to an insurmountable distancing from the original [production] program, which will be impossible to revitalize even when the sanctions are lifted;

—the extinction of entire economic sectors and groups, especially those whose enterprises were present in the world market, and had a certain reputation and permanent business partners;

—a further accelerated decline in real wages and the population's standard of living, a spread of poverty and social misery, the intensification of social tensions, the growth of crime, and total insecurity.

It follows that not even turning to the market, under the conditions of the sanctions and the existing policy, can ensure not only some sort of economic functioning, but even survival and social peace. What is to blame for this is the existing structure of the economy, which is import-dependent (with respect to raw materials, material, equipment, spare parts, fuel, etc.), but also export-oriented. Naturally, it neither could nor should be different. On the contrary, enterprises should have been considerably more oriented toward the world market. In these conditions, that is a limitation, however. Is the solution reorienting the structure of production, in developing those industries for which there are domestic resources?

Misconceptions About the Possible Development of Agriculture

It is indisputable that agriculture, and partly also the food industry and construction, depend relatively little on imports. Their self-sufficiency, however, is relative (equipment for agriculture, construction, and the food industry, fuel, chemical means, and spare parts are primarily imported). There are also limitations of another type, however.

In the first place, the structure of the population and the structure of the employees (and there is not even a theoretical chance that the structure established over many years can be changed in the short term; in any case, a change in this direction would be irrational, because it would suit a small, undeveloped, closed, and isolated country) is such that such a reorientation is simply not possible. Naturally, even with the existing number of employees at enterprises (and individual farms) a considerable increase in production is possible. A certain degree of import dependence, however, acts as a limitation.

In the second place, most employees (or people on enterprises' payrolls) would be without work, but (probably) not without wages. It follows from this that a small number of people employed in these sectors, in addition to financing inappropriately high public spending, would have to support a large number of people fictitiously employed at other enterprises, and the entire national income would thus in effect be subject to redistribution.

In the third place, the population in the cities would not do anything in the long term; this would contribute to the formation of an untenable social situation, an increase in social tensions, dissatisfaction, etc. Can it be alleviated by pushing public works in the field of construction, primarily civil engineering? Probably not, because under the conditions of a poor market and shortages, a constant surplus of buying power compared to increasingly poor inventories of goods, such works lose virtually any sense.

In the fourth place, what are the motives of employees at primary agricultural production and food industry enterprises for increasing production (for working more), when in spite of it their real buying power has to decline regularly? Development of the infrastructure is a separate question. There is virtually no sense in the construction of roads, bridges, tunnels, the performance of land reclamation work, the construction of apartments, etc., not just because the roads are empty and traffic has died, but also because the builders themselves, both the enterprises and the workers, do not have any motives at all for such work involvement.

In the fifth place, advocating a turn toward agriculture and increasing agricultural production probably assumes far greater production by the peasants themselves. Why would they increase production and bring surplus products to the market, when they simply cannot get anything in exchange for their goods, because there will be no other production, i.e., consumer products or products for performing work?

It follows from this that one simply cannot find any market or economic model that could function under the conditions of a closed economy and while the international community's sanctions are in effect. Short-term survival is possible, naturally. In this regard, there is also

the fact that the level of survival is dropping day by day. A shift to imposing a work obligation and distribution would certainly be an even worse solution, with extremely short-lived results. Thus, the only real rational orientation is creating the conditions for conducting an open economy policy, for which two preconditions have to be met:

—lifting the UN sanctions and the international blockade against Yugoslavia;

—changing the political and economic concept which, considerably before the Security Council's imposition of the blockade, brought the country into total political, economic, and cultural isolation, which means that all the events in this region, including the economic sanctions, are a consequence of precisely that concept.

Concept of an Open Economy

Probably most economists, in contrast to the politicians in power, support implementing the concept of a market economy, defined by property, liberal, and relatively open to the world. The problem, however, is how to create the preconditions for implementing that concept.

The lifting of the sanctions (an indisputable precondition) must be preceded by large domestic changes, which entail the destruction of widespread misconceptions. In the first place, it is not true that Serbia's economy was exploited by Slovenia or Croatia, just as the opposite claim is not true. In fact, the system led to the relative backwardness of all the republics (compared to the neighboring non-socialist countries). In the second place, self-management is not to blame for the economic inefficiency and the formation of an irrational economic structure; on the contrary, in other socialist countries with state-property relations, the backwardness is considerably greater, and the economic structure formed is even more inefficient. In the third place, there is no positive correlation at all between a state's size and the quality of the economy, the level of per capita national income, and the level and quality of life. That is confirmed by the examples of several countries. Consequently, it is not essential how large a state is, but rather what its economic and political system is like. It follows from this that the present Yugoslavia's possibilities for economic development are no less than those from the SFRY period, just as the republics smaller than today's Yugoslavia (Slovenia, for example) do not have to be economically handicapped by their departure from the former Yugoslavia. All of this applies in the conditions of an economy with clearly defined property, where private property is dominant, and the economy is highly open to the world.

In the fourth place, it is not essential at all whether the UN sanctions are unfair or fair. What is essential is that they have been imposed, that they are working, and that under the sanctions there can be no economic prosperity or political and social progress. Consequently, instead of discussing the moral aspects of the sanctions, we must do everything possible to have them lifted.

In addition to getting rid of economic misconceptions, it is also necessary to dispense with certain misconceptions that are not primarily economic in nature. First of all, the national question: the war on the territory of the former Yugoslavia is not be waged by any of its peoples. The war was initiated by politicians, and in doing so they did everything possible to have the war acquire the attributes of a national and religious civil war. Essentially, it is a war whose goal, along with maintaining power, is extremely irrational—the formation of national, ethnically pure states in so-called ethnic, or when necessary, historical areas.

One must accept and constantly announce publicly the fact that there are no good and bad peoples, peoples who are genocidal and those who are not, that the sins of ancestors cannot be paid for by their descendants, that blood vengeance is appropriate only for uncivilized people, and that raising blood vengeance to a national level means fascism and racism of the worst type. It is not enough just for the politicians in power to announce this to people through the mass news media—they need practical, concrete steps motivated by this.

In the second place, urgent concrete steps are essential to curb crime—conventional, economic, and political. This means taking effective measures to establish legal, personal, and property security for citizens. It is thus assumed that the first step is purging the authorities of criminals.

The third group of changes is associated with the economic system. Here, the following orientations are mainly essential:

—mass privatization of social property in a way that satisfies basic social goals (dispersion of ownership in such a way that employees—present ones and retirees—will become joint owners, but not dominant owners, of economic enterprises, naturally allowing for exceptions) and economic criteria (separating ownership from work as the dominant factor in making business decisions), the acquisition of the additional capital necessary to develop and finance current operations, a contribution to creating a rational and efficient economic structure, and the acquisition of foreign capital;

—the creation of conditions for foreign investments both in existing enterprises and in the formation of new ones, because foreign capital formation is a necessary precondition for any sort of development (not exclusively in the material sense, but also in connection with technology, management, marketing, etc.);

—the complete separation of monetary policy from classic and social policy. Today monetary policy is aimed at suppressing possible social unrest, and the issuance is being used to finance most of the enterprises, as well as a large part of budget and other public

spending, the war, private and state banks, the purchase of foreign cash from citizens, etc. Naturally, rationalizing monetary policy entails first rationalizing political goals and policy, as well as rationalization of the economic system and economic policy measures;

—the formation and consistent implementation of the concept of an economy open to foreign countries, along with the creation of an economic union for the area of the former Yugoslavia (assuming that the other republics or states accept it), without excessive tariff and especially non-tariff protection for domestic producers.

It follows that the existing economic and political situation is necessary leading to the economic and social collapse of society. With the introduction of a work obligation and a distributive economy, the situation would deteriorate even further. It is consequently realistic to expect that the authorities will also opt for the functioning of a poor, narrow, and closed domestic market, but this will not avoid further impoverishment and overall retrogression.

Any attempt to push the economy, through public works, etc., will not have any effect whatsoever. It is simply that even where import dependence does not limit production, any motives for work involvement are absent. Specifically, there will not be any goods into which possible surpluses of agricultural products, or money obtained by carrying out public works, could be converted. Shortages will be increasingly present, social fragmentation increasingly more pronounced, crime more widespread, and citizens' personal and property security increasingly threatened. If the existing political goals are retained, such an economic situation would inevitably make the danger of war quite real. It is precisely for that reason that the only solution is to create the preconditions for lifting the sanctions, rapid, relatively fair and economically rational privatization, and implementation of the concept of an open economy, which does not have to be essentially different from the one that the reform at the end of 1989 was based on.

Jubanka Proposes Moratorium on Payments Abroad

93BA1101G Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 24 May 93 p 28

[Article by V. Gr.: "A Respite Is Sought"]

[Text] *Nominal revaluation of capital; proposal for a moratorium on all the bank's foreign exchange obligations, with the use of the respite to strengthen its resources.*

Like all the "old" banks, Jubanka, as part of the Jugobanka system, also showed a positive financial result (1.1 billion dinars) last year. Furthermore, the capital has been revalued in accordance with the growth of retail prices, plus 16 percent. The results shown also have another side to the coin, however. For instance, "everything is OK" with the capital only if it is viewed in nominal terms, whereas it is noticeably declining in real terms. Expressed in "hard" currency at the level of the Jugobanka system, it has been reduced to $157 million (from $600 million), which has led the bank, like all the others, not to fulfill the provision of article 16 of the Law on Banks, by which its profitability (the so-called multiplier) is measured as a basis for the volume of credit activity.

In order to ensure some sort of protection for its capital, the bank is planning three share issues this year. One should be realistic, however. Even if the three issues were successful, it is hard to preserve capital's real value with this kind of hyperinflation. Specifically, it is hard to expect the economy to be able to ensure earnings for the bank by paying real positive interest rates. Admittedly, it is possible to achieve real earnings through transactions with foreign exchange and cash, or investments in goods. Even if the bank did that, however, it could hardly ensure protection of the real capital overall, however.

The foreign exchange subbalance is the most interesting one, however, for Jubanka, as the main agent for relations and payment transactions with foreign countries (within the Jugobanka system and elsewhere) until the foreign exchange market stopped operating and the sanctions were imposed. The payment turnover, which reached $4 billion, has been drastically reduced. The bank has been left with unsettled obligations (not counting old savings) of $354 million, of which $79 million has come due. According to Marko Steljic, Jubanka's main director, the main debtors are account holders. Perhaps the bank could even settle these obligations if it were not for other obligations coming due on the basis of guarantees, letters of credit, and other payment transactions. It is realistic to estimate that in today's conditions, it is not possible to meet obligations to foreign countries. As long as the sanctions last, a general moratorium on all payments abroad is necessary. The respite from payments created could be used to strengthen the bank's resources.

The old foreign exchange savings, which amounted to $441 million at the end of last year (58 percent of the bank's resources) should be settled in a similar way. As long as the sanctions last they would not be paid out, and then the state would settle that debt in 20 biannual payments. Furthermore, the "old" savings would start to be used to pay foreign obligations, and, in their equivalent dinar value (at a realistic exchange rate) for all the obligations in the country. At the same time, all lawsuits filed in courts because of unpaid foreign obligations should be postponed.

In spite of all the difficulties, last year the bank reduced foreign exchange savings by $70 million, $4 million of which it paid in foreign cash. Most of it was covered by dinars, but from a National Bank of Yugoslavia loan on terms unfavorable to it: with the payment of interest (which is absurd) and settlement of the loan at an unrealistic interest rate.

The bank is also having problems with dinar savings because of a lack of cash. Marko Steljic says that the bank has always used cash for the purposes intended, and it is not clear to him why a sufficient amount of money is not being made available to it. He nevertheless thinks that the problem has to be solved not only through the bank's efforts, but also through cooperation among all those "involved," namely state bodies, banks, depositors, and the economy whose employees receive personal incomes through current accounts. Noncash payments should be encouraged through regulations.

In any case, the lack of cash is not a reason for giving unfavorable assessments of the bank's overall liquidity. It does not have any problems with transfer payments, in which the bank has kept up with its partners' business activity. (Il)liquidity is not the reason for the decline in its partners' business activity. It is declining for other reasons (the general decline in production and the use of capacities). That problem cannot be solved just through higher liquidity for the bank, but rather through an overall economic policy program, and measures in the monetary and foreign exchange sphere, in which a realistic exchange rate for the dinar would have fundamental significance in "blocking" speculative trading in foreign exchange and cash, stimulating the production of exchange products, the sale of debts, etc.

Jubanka is the owner of a joint firm abroad which has positive business results. It is also the majority owner of the Bankom firm in Belgrade. It was also a stockholder in the the financial organization Priv Bank in Leskovac, which is aimed at bringing together depositors and successful small entrepreneurs. Finally, with 20 percent of the shares, it is a founder of the Kolubara insurance company.

Serbia

Vuk Draskovic's Health Improves

LD2106190893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1806 GMT 21 Jun 93

[Excerpt] Belgrade, 21 Jun (TANJUG)—A group of specialists of the Clinical Center of Serbia announced tonight that Vuk Draskovic's health condition has improved.

The group says that this afternoon Danica Draskovic was also received at the Institute for Neurosurgery, where she will be examined and treated. [passage omitted]

Macedonia

Role of U.S. Forces for UN Deployment

93BA1112A Skopje PULS in Macedonian 4 Jun 93 pp 12-13

[Article by Eleonora Karanfilovska: "Time-Share"]

[Text] *If U.S. military presence in Macedonia strengthens the position of Greece toward Turkey, why would Athens be opposing this step now? If it keeps repeating that it is being threatened from the north because of our "territorial claims," let us repeat: Why would it oppose U.S. military presence? Yet, it does!*

Last year at this time I was visiting the northern part of Cyprus. The summer temperature was 32 degrees centigrade, same as here. However, it was not this that reminded me of my visit.

Of late I have repeatedly thought of this Turkish Cyprus, as it is known. I remembered its beautiful long white, yellow, or almost black beaches, with the calm tempting crystal-blue sea. I recall northern Cyprus as I remember once again a Friday evening in the fascinating city of Girne or Kyrenia, which was the former name of this city on the Northern shore. That evening I had unexpectedly met and had had an even less expected discussion that only now has made me curious. In the best known seafood restaurant, located beneath the Byzantine Castle, near the small, horseshoe-shaped marina for private yachts, on that evening we were scheduled to meet with our colleagues from Bajrak Television. Instead, we were met by the First Secretary of the Turkish Embassy to the Turkish Republic of Northern Cyprus and several of his colleagues. He apologized for the confusion and for his unexpected presence but said that they really wanted to meet with the visitors from Macedonia. Sitting around the long table, we ate appetizers and drank Vadi and Nevsah, the wines of Cyprus.

Now I have the sensation of some kind of time lapse, precisely because of the discussion we held: on the situation in Macedonia, the Balkans, the attitude of Turkey, the Macedonian-Greek problem, and especially the role or place of the United States.... And the then the strange rhetorical question: "Will there be U.S. bases in Macedonia?," and the even stranger addition: "Turkey will not agree to any sort of U.S. military presence in Macedonia." Interpretation: this would strengthen the position of Greece toward Turkey, which guarantees the security of the northern part of the island.

It was precisely this thought that turns my mind back to Kibris (the name given by the Turkish Cypriots to that part of the island where they live). Past and present become confused in my mind, as though a full year had

not passed. I do not know whether the questions they asked were random or that they were very well informed.

These are the issues which now emerge:

Why is Turkey keeping silent on the subject of the U.S. initiative of increasing the number of foreign troops, by adding mostly U.S. soldiers, to guarantee the safety of Macedonia, as well as the Washington meeting of the heads of the diplomatic services of the United States, France, Great Britain, Spain, and Russia?

Why are the other people who attended the Washington meeting two weeks ago keeping silent, letting all statements to come from the Americans?

The only thing we heard that would explain the views of the others, is that France has no intention of sending its soldiers to Macedonia, being quite heavily involved in Bosnia. A similar view was expressed by Great Britain, although it did not specifically mention Macedonia. A more specific discussion on this issue will be taking place today between President Gligorov and Hurd, the head of the British Diplomatic Service.

Not even the United States has as yet officially informed Macedonia as to what was discussed and how to interpret Point 10 of the Washington document on increasing the number of troops in Macedonia and Kosovo. The letter which President Gligorov sent to Clinton, his U.S. colleague, three days prior to the ministerial meeting in Washington, on the possibility of sending foreign military forces into Macedonia, was interpreted by the White House as private correspondence. It issued no statement on it and not even an acknowledgment of its existence. The State Department has not been informed about it. Whenever asked, it says, "no comment."

According to all that we hear, throughout this past week there were intensive political consultations on this issue but no specific decision was reached. A partial reason for this may be the strong opposition of UNPROFOR [UN Protection Force] and, particularly, of the Scandinavian countries. One of the considered scenarios, the most likely one, would be for Macedonia unofficially to ask the UN Secretary General that the Republic of Macedonia be made independent of the UNPROFOR command in Zagreb, which covers the area of former Yugoslavia. If this is accepted, a new resolution will have to be passed by the Security Council to define the structure, tasks, and deployment of a new mission. This is viewed as one of the fastest and, at present, most consistent methods for sending U.S. forces, although they may be "wearing the blue helmets." It is precisely for that reason that this suggestion is opposed by the Scandinavians who, as part of the Zagreb Mission, will most likely have to move from Macedonia to Bosnia.

Even the commander of UNPROFOR forces, General Lars Erik Walgren expressed, during his visit to Skopje last week, his strong opposition to such ideas, stressing that they are based on political considerations. In his view, the situation is such that there is no need to increase the number of troops in the area. He also stressed that, according to him, the United States must not send ground forces, already included in the operation with NATO forces (in Jadran), which is deemed sufficient.

As to the neighbors, it appears that Albania and Bulgaria have nothing against (or cannot be against) the idea. Meanwhile, Serbia would not like, in any case, to find itself along a border facing U.S. patrols. Serbian Prime Minister Milosevic clearly indicated this to President Gligorov at their Ohrid meeting. It is said that he also passed on the "concern" of Greece, who is not in a position to state this publicly (although on the very day that the Washington meeting was held it was only "coincidental" that a demonstration was held in Salonika against any foreign military presence in the area).

If, according to what the Turkish diplomat believed a year ago, the U.S. military presence in Macedonia would strengthen the position of Greece toward Turkey, why would Athens be opposing it? If it keeps saying that it is threatened from the north as a result of our "territorial claims," again, why would it object? Yet, it does!

What Greece objects to is perhaps the form of the presence: within the framework of NATO, with its own separate military base or bases, again with the "blue helmets." It cannot be within the framework of NATO, because Macedonia is not a NATO member. We cannot expect to become one, especially because of the Greek membership in the North Atlantic Pact and, as such, their opposition to and blocking of our request for affiliation with that organization. A U.S. military base in Macedonia is possible only in Krivolak, considered ideal for controlling communications and for its closeness to the Greek border and protecting the Gulf of Salonika and that part of the Mediterranean. However, such a base and for such purposes already exists in Greece. During electoral campaigns it lives under the constant threat of being closed down, as demanded by the opposition, but such a "threat" has never been too serious. It is difficult, therefore, to assume that the United States would need a base. Furthermore, this would take time, while the haste is obvious.

What remains, therefore, as an acceptable variant, is only that of the United Nations. Although this would be most advantageous for Greece, it appears that the timing of this initiative is not the most propitious for that country. Talks with Macedonia that, according to the Greek press, were about to be concluded, with the draft Vance and Owen treaty already made public, were suddenly interrupted. What has become apparent is that there is neither any kind of agreed upon document nor any kind of resolution. Although they themselves brought up a great variety of names as possible variants on the basis of which a treaty would be signed, and were even promoted through their French friends, the Greeks suddenly rejected all of them and asked of the U.N. Secretary General precisely what they knew stood no chance of being accepted: the name Slavomacedonia. We have learned that those attending the discussions did not

set any kind of deadline for an answer, nor was an answer requested in writing. The answers to all the questions, including that of the name, were provided by both sides in the course of the discussions in New York. It was also at that time that various choices what would include the word "new" were considered: New Republic of Macedonia, or Republic of New Macedonia, as well as the name suggested last December by the then mediator Robin O'Neal: Republic of Macedonia-Capital Skopje. Although during the discussions the Macedonian side stressed that it will not change its constitutional name, it expressed its readiness to discuss the modalities of the use of a name outside the country. That is precisely what may have forced Greece to send a written "answer," fearing a repetition of the situation last March, when Macedonia accepted the option of a temporary name, and once again accepts the Greek demand of being called the "Republic of New Macedonia." It has now become clear that for quite some time there will be no treaty and that ways will be sought to delay it. The ferment in Mitsotakis' party will be used as pretext not to use pressure in adopting some of the decisions, claiming that this would violate the party's views, which is accurate. In the midst of all this comes the unfortunate option of sending U.S. forces to Macedonia.

This neutralizes Greece's main trump card—the claim that it was threatened from the north and by the Skopje-Ankara axis, countering our arguments that the idea of Macedonian territorial claims is ridiculous. This claim is used both at home and abroad since Mitsotakis, among others, called for unity and harmony of views precisely on this basis. The former Minister of National Defense Varvitsiotis was acting the same way, especially in northern Greece, where he organized military exercises for defense against Skopje.

Therefore, regardless of the claim that both Mitsotakis and Nea Demokratia are in a hurry to reach a solution with Macedonia, it is hard to believe that they indeed want it, unless they get what they want: a name which would not include the word Macedonia at all. That is the reason for the option of "Slavomacedonia." It is totally unacceptable to the Republic, above all, because of its ethnic structure. They know this but pretend that they are showing a cooperative attitude and desire for an agreement even by including the word Macedonia. All they want, however, is a delay. The neurosis, however, is growing because of the apparent possibility that Butros-Ghali will include in his report to the Security Council the report submitted by Badenter and Robin O'Neal regarding the borders. Such a choice of documents leads us to believe that perhaps Butros-Ghali will report that this decision is unacceptable to either side and will stress that from the legal aspect (the Badenter Commission) the name does not imply any territorial claims that would require its change but would resolve the problem between the two countries in the areas of communications and the border, as drafted in the O'Neal document that, in a single page, includes guarantees concerning the border and crossing the border. The option that does not suit Greece and yet is the only means of applying pressure on Macedonia, is a blockade. For that reason, while allegedly asking for a decision, actually all that is sought is a further postponement to the point when the "time" that was bought will itself become an obstacle.

Kosovo

Malici Comments on Status of Kosovo

93BA1098B Belgrade BORBA in Serbo-Croatian 27 May 93 p 9

[Interview with Skeljzen Malici, vice chairman of the Social Democratic Party of Kosovo, by Radojica Barjaktarevic; date and place not given; Albanian personal names rendered in Serbo-Croatian transliteration: "Skeljzen Malici: 'Ideal' Compromise—Kosovo Republic Within Framework of Yugoslavia"]

[Text] [Barjaktarevic] The Washington document of five ministers does not advocate secession, or rather Kosovo independence, while the special Russian envoy for negotiations on Bosnia, Russian Deputy Minister of Foreign Affairs Vitaliy Churkin, said in Pristina that he will not accept the creation of a Kosovo state. All of this changes the situation with regard to the political viewpoint of Albanians on a solution to the Kosovo problem. In your opinion, what comes next?

[Malici] The Washington document establishes many more obligations for Serbia, because most of all it affirms the seriousness of the situation in Kosovo and calls for the establishment of legal order and the restoration of the human and political rights of Albanians. Only in the second paragraph is it stated that the five ministers do not support the Kosovo declaration of independence. Right now, this is my view of things: Even after this agreement, Albanians must not make any essential changes in their policy, because they are asked to renounce only one declaration. And practically speaking, that declaration is dead anyway, or it is posited as a goal for which a certain amount time is needed, and thus an interim phase for its full realization. On the other hand, Serbia must take clearly defined political steps in Kosovo, which will be very painful for the current government, in order to comply with the first and primary demand of the five ministers. It must also accept the intensified political and military presence of the international community in Kosovo, which could even assume the form of some sort of protectorate, which is absolutely suitable to the Albanians, but which official Serbia rejects.

[Barjaktarevic] Will the Albanian side, together with the Serb side, acting under foreign pressure, seek the key to a solution within the framework of Serbia and Yugoslavia, and what kind of status for Kosovo would be suitable to everyone within this framework?

[Malici] There is no such "ideal" status that would be suitable to everyone. There will always be strong political

groups on both sides that will reject even the best compromise solution. Still, if the framework on which you insist proves to be the only possibility, although I do not think that that is the case, then an "ideal" compromise on the status of Kosovo can be posited right now. Kosovo could become a republic within the framework of Yugoslavia. Indeed, this option has already had very serious advocates even in Serbia, while in Kosovo it is sometimes discussed in certain influential circles. Nevertheless, politics is not mathematical, and it is not advisable to rush conclusions and solutions. We must see what sort of solution will be found for Bosnia and the Krajinas in Croatia. Even now, we are coming face to face with the phenomenon of maximizing aspirations, based on looking across someone else's fence. If Bosnia is partitioned according to the ethnic principle, which is regarded as more or less a fait accompli, then how is it possible to prevent, in principle, the separation of Kosovo from Serbia, with its 90 percent ethnic Albanian population? Indeed, this principle is the basis for the latest offers on partitioning Kosovo, which are coming primarily from the well-known ethnic kitchen of the SANU [Serbian Academy of Science and Art], whereby the Serb demands have been maximized to approximately 40 percent of the current territory of Kosovo.

[Barjaktarevic] Vitaliy Churkin has insisted on dialogue in talks with both sides in order to avoid an escalation of the conflict and war in this region. In your opinion, what are the prospects for dialogue?

[Malici] Dialogue is extremely important, but thus far it has been practically impossible or essentially impaired by the forcible change in the status of Kosovo and the insistence on the policy of a fait accompli. In recent years, Serbian policy in Kosovo has in fact been war policy. It has wanted to provoke a mass uprising of Albanians in order to have an excuse for mass retaliation and major ethnic cleansing. Under such circumstances, we in Kosovo have chosen a strategy of waiting and refusing to respond to provocations, but that has still left a certain amount of room to initiate a dialogue. The only thing is that the forms of dialogue that have been initiated, such as the one on schools, have not yielded any tangible results whatsoever. Last year it was thought that it might be useful for the dialogue to begin with solving concrete problems such as schooling and health care. But now we see that this does not work, because the negotiators always clash on the problem of Kosovo's status. Nevertheless, I do hope that much more favorable conditions for dialogue will be created shortly, in order to achieve at least some temporary solutions, which would make life in Kosovo more tolerable. A month ago I participated in a meeting in Budapest organized by the Soros Foundation, which was attended by intellectuals from Pristina, Belgrade, and Tirana. It was a very interesting and successful meeting, at which many very interesting ideas about the prospects of Albanian-Serb relations were heard. But that was possible only because we agreed not to discuss current and very sensitive political topics. Naturally, a genuine and valid Albanian-Serb dialogue must be conducted on the level of empowered delegations.

[Barjaktarevic] A story has been circulating among foreign and domestic journalists to the effect that special envoy Churkin tried to establish contact between Serbian President Slobodan Milosevic and the leader of the Kosovo Albanians, Ibrahim Rugova. Will there eventually be a meeting between Rugova and Milosevic?

[Malici] For Rugova and for Kosovo as well, I think that the most important thing is that he has affirmed and consolidated his position as an indispensable negotiator in what is now the final internationalization of the Kosovo question. If one wants a peaceful solution in Kosovo, then one must negotiate with Rugova, or rather with the legitimate representative of the Albanians, not with certain Plans there, or whatever this Albanian SPS [Socialist Party of Serbia] is called. But I really do not know whether Rugova and Milosevic will meet. I think that that would not be a major problem for Rugova, because he is a politician who is committed to dialogue, but I cannot conceive of Milosevic in that role of an essentially defeated militant, because he came to power on the Kosovo question and has invested a great deal in the current wretched situation, or rather the caste system in which an armed minority enjoys all the privileges while the majority is excluded from social life. But I would note that Milosevic has directed certain timely reproaches at extremist Kosovo Serbs, warning them that they were going too far, and perhaps a political platform for serious dialogue with Rugova could be built on those thin political references. But fortunately the question of an Albanian-Serb dialogue is no longer simply a matter of two leaders; rather, it is being considered in the world's centers of power as well.

[Barjaktarevic] Periodical excesses in Kosovo, attacks on policemen, hunger strikes, and even calls for armed uprising, etc.—are these not in accordance with the policy of creating a "Kosovo Republic"?

[Malici] In my estimation, things are the other way around. You mention individual excesses, but I would say that the entire Kosovo situation is actually one permanent excess of serious violation of international standards concerning protected human and political rights, which in the final outcome could have a much greater effect on Kosovo becoming a state than these individual excesses will. OK, the night before last Adam Demaci began a hunger strike, and today he was joined by 1,500 employees at the RILINDJA newspaper publishing house, which was forcibly suppressed and replaced by the regime's PANORAMA. The main goal of the strike is to liberate RILINDJA, to avert the destruction of Albanian information and cultural institutions, but the other side feels that this is its sacrosanct state right. The Serbian regime is the one who is sustaining the problem of information in Albanian, the problem of schools, the problem of health care in Kosovo. And if Albanian schools and media cannot exist in this state

because it is Serbian, then of course the other side will seek to make Kosovo an Albanian state. But as far as violent and terrorist acts are concerned, as well as the latest attack on a police patrol near Glogovac, which bears a strong resemblance to Borovo Selo at the beginning of the Serb-Croat war, I still contend that without serious evidence and until the case is cleared up, one cannot talk about some sort of organized Albanian terror, while on the other hand it is clear to everyone that the Serbian state is engaged in state terror every day in Kosovo. Albanian political organizations have clearly disavowed terrorism and criminal acts, they have consistently pursued a policy of nonviolent resistance, and they do not know of and cannot identify which political groups are behind the anonymous and phantom Front of National Liberation of Kosovo, which already on two occasions has distributed leaflets around Kosovo calling for an uprising.